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FBIS-EEU-95-203 *20 October 1995*

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OSCE Head on Organization's Role in Balkans

LD19!0233695 Budapest Kossuth Radio Network in Hungarian 2100 GMT 19 Oct 95

[FBIS Translated Excerpt] On 19 October, Foreign Minister Laszlo Kovacs, OSCE [Organization for Security and Cooperation in Europe] chairman, discussed the settlement in Yugoslavia with the other leading members of the OSCE. Ivan Bedo reports from Geneva:

[Bedo] [Passage omitted] Today Laszlo Kovacs had talks in Geneva with the other heads of the OSCE troika—that is, the Swiss foreign minister and the Italian deputy foreign minister. The talks focused on the settlement in Yugoslavia. In response to my question, Laszlo Kovas said there was mention of the status of Bosnian communities, but they left open the meaning of a certain special status—that is, whether it would include the possibility of the Bosnian Serbs joining Serbia itself.

There was also discussion of eastern Slovenia, which borders Hungary, and the three foreign ministers agreed that this area must be reannexed to Croatia peacefully.

The OSCE wants to undertake a great role in the Yugoslav settlement. The OSCE will be the leader, the coordinator in matters such as the restoration of democracy, respect for human and minority rights, and security—that is, supervising how the currently heavily armed armies are going to implement rational cuts, said Laszlo Kovacs.

He confirmed to Hungarian radio that respect for human and minority rights was a basic condition of settling the crisis. They stated such with Prime Minister Gyula Horn in Zagreb, and they will also state it in Belgrade tomorrow. Unified, namely European norms must be applied—that is, different norms should not apply to Serbs in Croatia and Hungarians in Vojvodina, Albanians in Kosovo and Muslims in Sandjak, Laszlo Kovacs said, adding that at his talks yesterday the Croatians showed a readiness for everything.

At the meeting of the OSCE troika, there was also mention of Chechnya. Although the situation has become worse and diplomats' personal security must be watched more closely, the OSCE mission will remain on the scene. Because its activity has been successful and it has managed to ease the tension between the warring sides and helped to solve humanitarian matters, they expect success in the future, too.

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'Manifesto' Distributed Urging War in Kosovo

AU1910192895 Tirana GAZETA SHQIPTARE in Albanian 19 Oct 95 p 3

[Article by "Fa. Bar.": "Organization From Kosova: 'Now We Must Fight'"]

[FBIS Translated Text] "What are you waiting for, Albanians? Why do you not rise up in war?" This question, which must be acknowledged to be a special and delicate one in these troubled times, comes from a manifesto recently distributed in Tirana and concerns the most acute problem history has bequeathed to us—Kosova. The document is in the form of a tract or newspaper and the only people who have signed it appear to have used pseudonyms. It calls on the people of Kosova to take up arms.

"Albanians, who humiliates you beyond the limits of patience? Albanians, what is destroying you more than the policies that you take as a guide? Albanians, who are you waiting for to fight on your behalf? For how long must they continue to kill you, violating your lands and your honor, casting you out onto the highways of the world, and trifling with you?" These are only some of the questions that CLIRIMI [LIBERATION], the organ of the National Movement for the Liberation of Kosova [Levizja Kombetare per Clirimin e Kosoves], puts to the Albanians.

The organization, now distributing issue No. 26 of its paper in its third year of publication, levels serious criticisms at the political caste in Kosova today, which it calls pacifist and accuses of thereby having damaged the national movement. The parties in Albania are also a focus for criticism. "All the parties active in Albania, unfortunately, without exception, have played the Kosova card before the elections, and have merely tried to win over voters, even by trampling on the blood of fallen martyrs."

CLIRIMI is also against the promises of autonomy for Kosova that Berisha secured in the United States. "As far as the cause of Kosova is concerned, Berisha crossed the ocean in vain."

Geneva Union 'Concerned' With Nano Imprisonment

AU1810131895 Tirana GAZETA SHQIPTARE in Albanian 17 Oct 95 p 3

[Article by A.C.: "Parliament Members in Bucharest: 'Review the Nano Case'"]

[FBIS Translated Text] Tirana—The Nano case has returned to the stage. The Geneva-based Interparliamentary Union, which met in the Romanian capital last weekend, has approved for the third time a resolution in favor of the imprisoned Socialist leader. "We are exceptionally concerned at the combination of measures designed to keep Mr. Nano in prison," was the Interparliamentary Union's message for the Tirana government, approved by the 119 countries who are members of the organization. Ali Spahija of the Democratic Party and Luan Hajdaraga of the Socialist Party, the two Albanian representatives at Bucharest, each spoke out in their own way. "The Nano case is up to the judiciary," Spahija is reported to have said at Bucharest. "Entirely in agreement with the resolution on Nano," Hajdaraga said.

The resolution approved by the Union expresses concern at the dissolution of the plenary session of the Court of Cassation only a few days after it examined the Nano case and observes that the Nano case should have been reconsidered immediately after charges were lifted against the directors of the Levante Company in Italy. The Interparliamentary Union thanks the Albanian authorities for sending information. The document signed by the Union in Bucharest, about 150 lines long, has now arrived in Tirana. The facts and data received since the last meeting in Madrid are listed. These include correspondence with Nano's lawyer, a letter from Albanian Parliamentary Chairman Pjeter Arbnori dated 7 October, and information provided by Ali Spahija, chairman of the Albanian delegation at Bucharest. The resolution passed last Saturday [14 October] is based on these documents. The Union's council repeats the demands expressed in the Madrid resolution on reexamining the Nano case.

Thirteen Parties Propose Electoral Law Changes

AU1910165695 Tirana GAZETA SHQIPTARE in Albanian 19 Oct 95 p 3

[Article by "A.C.": "Statement of 13 Political Parties Made Public"]

[FBIS Translated Text] Tirana—Everybody agrees on keeping the old law on elections. "But we will submit changes to some articles to the People's Assembly for approval." The negotiations among 13 political parties embarked on some time ago have now become embodied in a common agreement signed by their leaders. The Republican Party, the Social Democratic Party, the Socialist Party, the Democratic Alliance, the Agrarian Party, the Human Rights Union, the Democratic Union, the Democratic Party of the Right, the National Unity Party, the Christian Democratic Party, the Liberal Party, the Party of National Union, and the Social Democratic Union have all signed a document for the preservation of the current electoral law, with changes to 17 of its articles. They say that

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this is a legislative initiative that will be proposed to parliament very soon. The distribution of 50 percent of the funds to parties, according to the votes they receive; the deadline for the announcement of the election results; the allocation of votes among participants in a pact; the validity of ballot papers; and the participation of political representatives in the electoral commissions are the main points that the 13 parties have raised in their statement. The Republican Party announced at a news conference the official adoption of the parties' declaration in favor of the existing Electoral Law.

The document states that "the electoral system in force at present is the most suitable for our country's historical and political conditions. Two or more different political bodies fielding joint candidates in a given constituency," the document continues, "must send to the constituency commission at least eight days before the election a report noting that votes must be allocated jointly." The parties are seeking a change to Article 34, proposing that the electoral commissions should include representatives of all the political parties taking part in the elections. The funds allotted for distribution to the parties—50 percent is the sum decided, should be divided in proportion to the number of votes the parties gain in the elections. The document of the 13 political parties also proposes a new deadline for the announcement of election results. "The Central Electoral Commission announces the result within five days," is the version in the document of the 13 parties.

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U.S., Germany 'Forcing' Country From Arms Trade

AU2010114595 Sofia 24 CHASA in Bulgarian 18 Oct 95 p 2

[Article by Yordan Georgiev: "United States, Germany Erase Our Name From Weapons Business"]

[FBIS Translated Text] Bulgaria has not been invited to take part in the constituent meeting of the New Forum Organization, which will be established in The Hague in December, as the successor of COCOM [Coordinating Committee for Multilateral Export Controls], Nikolay Dobrev, chairman of the National Assembly Commission on National Security, said on 17 October to journalists.

The goal of the neo-COCOM organization is to control arms export. According to Mr. Dobrev, the United States and Germany are the two countries that are forcing us out. Those across the ocean insist that we observe the U.S. unilateral embargo regarding export of weapons to Egypt and other countries. Simultaneously, Germany is seeking new markets for its powerful military-industrial complex. Not a single Bulgarian citizen or company has been caught in illegal arms trade in recent years, Mr. Dobrev said.

Unfortunately however, in Bulgaria there are politicians who support their friends from across the ocean, and thus hurt the country, Mr. Dobrev added.

In anything related to the military, Nikolay Dobrev said that it is in good shape considering the minimal financial support it receives.

Decision To Concentrate Arms Export Denounced

AU1710140195 Sofia 24 CHASA in Bulgarian 14 Oct 95 p 8

[Article by Asen Michkovski: "Videnov Killed Weapons Producers"]

[FBIS Translated Text] Canceling the licenses of Teraton and Armimex to trade with arms and specialized production was a crude mistake on the part of the socialist government.

Indeed, this tendency of administrating and concentrating the arms trade already began during the period of Filip Dimitrov. At that time the attack failed. Canceling the licenses was prompted by the obsolete thinking of people who failed to adapt to the new conditions. in addition, behind the decision there are attempts to settle personal grudges, disguised by pseudo-objective arguments.

It is stupid to cancel the license of a company which, unlike companies which primarily deal with reexport, employs only 10-12 employees to conclude deals for $20-$25 million a year, establishes a presence in nontraditional markets, and specializes in exporting Bulgarian weapons, products which could be sold elsewhere only with great difficulties.

The argument used, namely, that concentrating the trade in one company will eliminate the competition of the Bulgarian exporters, is absolutely groundless, because the issue involves different markets. The separate companies adapt in different ways to the various markets, and generally, each company finds its place in the sun.

Personal contacts, traditional connections, and better conditions of sale are decisive in this trade. The saying that bad workers blame their own tools fully applies to this case.

Canceling the licenses will reflect very badly in our producers of arms and specialized production. The sole company authorized to trade with arms will have the possibility to impose on the producers the prices it wants. It would be much better if the producers could choose among several offers. Then they could make a higher profit.

Now the Bulgarian plants will receive less money. They will not be able to consolidate themselves, and this indeed is the most lethal result.

In addition, the centralization of the arms trade could prompt the flourishing of corruption among our exporters. Since they will have a monopoly in this realm, they will be able to contract lower prices with the producers, in exchange for fat commissions received from the favored buyer. This not only is absolutely possible, but moreover, it is unavoidable.

It is a paradox that precisely when Rosvooruzheniye relinquished its absolute monopoly on arms export, and allowed seven additional companies to sell weapons, Bulgaria is doing precisely the opposite.

As far as the so-called dumping export of 23-mm shells to Syria on the part of Teraton—this simply is not true. About 18 months ago the National Assembly Economic Commission at that time dealt thoroughly with the issue and with the situation of the military-industrial complex. The unanimous conclusion was reached that there was no dumping. Generally, Teraton should be commended for being able to sell 8-10 year-old dead stock to a foreign customer, and thus clean the blocked warehouses of production which could not be sold in the normal market. It is insane to accuse anyone of dumping when nine out of 10 shells do not explode, and yet he succeeds to sell them.

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In addition, we are about to lose many experts, because not all of them will be able to work for Kintex. Even if they join that company, its structure will become inflated and inefficient. Thus, we will lose markets, including new and nontraditional ones, where we have just set foot, like Latin America. Obviously, all this has not been considered by those who adopted the decision. Furthermore, they did not even consider the possibility of the aforementioned experts acquiring in principle foreign licenses, and working for reexport. Then those experts will not work any longer for the interests of Bulgaria and its arms production, and no one could blame them for this.

Why did the socialist government adopt this decision? This is something that is easy to explain. It appears that personal motives prompted the actions of someone, who felt insulted by the fact that he no longer had the monopoly in the arms market, and that other, more talented merchants emerged.

Centralized trade was appropriate during the period of the Warsaw Pact. At that time there also was a centralized supply for the socialist countries on the other side of the Iron Curtain, and real market mechanisms did not apply. There was not even a trace of competition. At that time, and under the conditions prevailing at the time, this was the only manner of trading.

The socialist government assumed power in the name of restoring our traditional markets and reviving the Bulgarian arms industry, which in itself is good. However, it is acting in a manner that is the total negation of those positive goals.

NEC Head Claims West Cannot Supply Electricity

AU1810184895 Sofia KONTINENT in Bulgarian 16 Oct 95 p 9

[Interview with Trifon Tsvetkov, NEC acting director general, by Eleonora Petrova; place and date not given: "The West Cannot Supply Electricity to Bulgaria Even If It Wants To"]

[FBIS Translated Excerpt] [Petrova] What urgent problems have to be solved during the preparations for the autumn and winter?

[Tsvetkov] One problem was connected with bringing the No. 1 Reactor Unit at Kozloduy into service, because we believed that it could not be started up. Its output was included in the energy balance sheet, but, nonetheless, we did have misgivings, owing to nontechnical reasons. We also had some worries regarding ensuring coal supplies for the thermoelectric power stations at Maritsa-Iztok because of the financial plight of the National Electricity Company [NEC], which also affected the coal-mining companies in the group. We have been working on this question for two weeks and have found a way for the companies to ensure supplies. We have received the money needed for urgent repairs of the mining machines and to provide the necessary railroad rolling stock. We found some optimum solutions regarding the transportation schedules, because the movements of the railroad cars in the mines can be coordinated with the circulation of the Bulgarian State Railroads' rolling stock. [passage omitted]

[Petrova] Do you have any problems with the supply of nuclear fuel?

[Tsvetkov] We expect that the nuclear fuel for reactors 4 and 5 will reach the port of Reni on 17 October. We had problems with shipping the fuel across Ukrainian and Moldovan territory, which held up delivery. However, both these and the financial problems have been overcome. The No. 4 unit is about to be taken out of service for refueling. We still have to receive one further delivery for the No. 3 unit, but its period of service will end after the No. 4 unit. The nuclear power station will operate this winter without one of the 440-megawatt reactors. When we restart the No. 4 unit, we will shut down No. 3, because by that time its fuel will be exhausted. Thus, the energy balance is ensured, unless something unforeseen happens.

[Petrova] Do you think that we should close down the No. 1 reactor, as the G-7 countries want?

[Tsvetkov] There is not a single technical argument that indicates any safety breach in operating the unit. Because the reactor is needed to meet the country's energy requirements, we completed the mandatory maintenance operations between February and October. In addition, we arranged separate independent investigations to be completed to ensure that the reactor was safe. I personally signed the certificate that the reactor was safe. Of course, we do not think that our task will be complete when we have completed the testing of the metal of the reactor shell to establish its remaining working life, as well as the likely service lives of the other units. A program exists that we are carrying out with many Russian and foreign scientists. I believe that Yanko Dobrev, chairman of the Committee for the Peaceful Uses of Atomic Energy, has explained adequately how frankly and openly we are acting, and I cannot think of any other country with a developed nuclear power industry that informs the public on its nuclear programs as Bulgaria does. According to international documents, the NEC as the operating organization and the Committee for the Peaceful Uses of Atomic Energy as the regulatory body are responsible for the operation of the equipment and the position is similar in every other state. There are

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no reasons why the unit should not be operated, even if we receive an offer of free electricity. If any violations occur, we will be the first to shut down the reactor.

[Petrova] Is it possible to transmit electricity from West Europe to Bulgaria?

[Tsvetkov] Two weeks ago, I had a lengthy conversation with Thomas O'Sullivan [EU ambassador to Bulgaria] on the possibility of replacing the output of the No. 1 reactor with imported electricity and I explained all the aspects to him. A precedent exists for such transmissions in the deliveries of the so-called humanitarian aid. However, these deliveries were extremely difficult to carry out because of the insecure situation, as it was necessary to cross various countries. Energy systems also have operational limitations. For example, Romania has its own generating capacities and electricity flows along its power lines, and it is not always possible to introduce a new flow. This causes delays in delivering the electricity, which, coupled with accompanying breakdowns of the generating capacities and fuel problems, led to the well-known blackouts in the winter of 1991-92. Apart from this, talks have started on financial help to ensure coal supplies. The decision on providing this money came in April, but it was hedged with restrictions on the sources of supply, because under the PHARE [Economic and Reconstruction Aid for Poland and Hungary] program one cannot purchase the coal from anywhere. It is possible to buy from Poland as a coal producer, but the Poles do not have suitable grades of coal for the Varna Thermoelectric Power Station. After all this, the money was used to buy spare parts for the needs of our maintenance program, which we are using at the moment. I explained to Thomas O'Sullivan that at the moment it is not technically feasible to effect such a delivery of electricity. Bulgaria has power line connections with all the power grids of the surrounding countries: With Moldova and Ukraine; three with Romania—two 400-kilovolt (kV) lines and one 220-kV; two with former Yugoslavia—400- and 110-kV; two 110-kV lines with Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]; two with Greece—400- and 20-kV; and one 400-kV line with Turkey.

At the moment Romania is operating in parallel with the power systems of former Yugoslavia, Greece, and Albania. This means that significant amounts of electricity cannot be transmitted from the Romanian system to Bulgaria. [passage omitted]

From the technical aspect, I see no possibility of supplying this electricity. I explained this very clearly to Ambassador O'Sullivan, supporting my arguments with diagrams of power line connections and diagrams showing the possibilities for ensuring the energy balance. We can receive electricity only from Ukraine, if these offers are real. As far as France's offer to supply electricity is concerned, it is theoretically possible to transmit this power through the countries of the Centrel power group; however, again it can only reach us through Romania. We have the power line connections, but they cannot be used for technical reasons.

A similar case occurred in 1991, but with the difference that then we were operating in parallel with Romania, because at that time the unified power system of the former CEMA had not yet broken up. Romania, Poland, the Czech Republic, and Bulgaria operated in tandem and the technical possibilities were there. However, Romania and the Centrel member countries left this system years ago and this has radically altered the technical situation.

Opposition Praised for 'European Political' Manner

AU2010114495 Sofia KONTINENT in Bulgarian 18 Oct 95 p 6

[Commentary by Rumyana Strugarova: "Chance for Opposition"]

[FBIS Translated Text] The 17 October meeting between President Zhelev and the leaders of the Union of Democratic Forces [SDS] and the People's Union was a significant event because it showed that after a long period of alienation and mistrust the opposition is now seeking a positive dialogue with the president.

This is a positive fact because it shows that political customs in our country are acquiring democratic characteristics, and because the participants did not succumb to the opportunity of having the president's ear during the municipal elections campaign, and did not discuss narrow party interests. On the contrary, they demonstrated a common position on the exceptionally important issue of incorporating Bulgaria in the European structures—indeed an issue of national priority.

Apparently, this time the political elite and the institutions are prepared to place national responsibility above party bias. During his visit abroad Ivan Kostov [SDS leader] demonstrated how it is possible to work abroad for the national cause. His mediation in obtaining French support for having Bulgaria's name taken off the EU black list, which was supported by the government's arguments, is indeed a step forward. The upcoming visit of the People's Union leaders to Germany is expected to serve the same goal.

It appears that precisely now the parliamentary opposition has an opportunity to serve Bulgaria's positions, citing the country's pro-European orientation, without fearing that it is thus indirectly serving the interests of

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its political opponent. This really is European political behavior.

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No More Czech Soldiers to Croatia

LD1910173895 Prague Radiozurnal Radio Network in Czech 1400 GMT 19 Oct 95

[FBIS Translated Text] The Czech Army command has decided not to send any more Czech soldiers to Croatia. This decision was based on the outcome of the UNCRO [UN Confidence Restoration Operation] command conference, which ended in Zagreb this week. This information was given to Czech radio by Captain Oldrich Holecek from the public relations department of the Defense Ministry.

[Begin Holecek recording] Two hundred experts and selected active service soldiers as well as reservists have been preparing for the planned rotation of a part of our UNCRO battalion since the end of September in the UN peacekeeping forces' training base in Cesky Krumlov.

Because our battalion is able to carry out the tasks related to the withdrawal and guarding of UN materiel from Croatia, which the command of the New York-based command of UN peacekeeping forces charged our battalion with at the beginning of September 1995, this rotation will not go ahead.

Our battalion is 874-strong at the present time. A gradual withdrawal of our troops from Croatia will begin on 24 October 1995, when 200 members of our battalion from the UNCRO mission will be transported by two flights of TU-154 aircraft from Zagreb to the Plana airport near Ceske Budejovice.

Another 200 troops will land in Plana near Ceske Budejovice on 30 October. [end recording]

Von Moltke Arrives for Talks on NATO Expansion

LD1910213695 Prague Radiozurnal Radio Network in Czech 2000 GMT 19 Oct 95

[FBIS Translated Text] Gebhardt von Moltke, NATO assistant secretary general for political affairs, arrived in Prague this evening to discuss the recently adopted document on NATO's expansion. Moltke will meet Czech Defense Minister Vilem Holan, Deputy Defense Minister Petr Necas, and Deputy Foreign Minister Alexandr Vondra tomorrow. In the Czech Republic, the NATO delegation ends its tour of Central and East Europe.

Army Considering Leasing Military Areas to NATO

AU1910140995 Prague MLADA FRONTA DNES in Czech 14 Oct 95 p 7

[Article by Jan Gazdik: "NATO Forces Could Train in the Republic in Exchange for Dollars"]

[FBIS Translated Text] Prague—The military exercise areas could very soon become a source of income for the Treasury because North Atlantic Alliance armies are showing an ever more frequent interest in them.

The Defense Ministry is formulating the conditions for leasing the exercise areas in Boletice near Cesky Krumlov, Hradiste in the Karlovy Vary District, and Libava in the Olomouc District to Western armies, and its representatives therefore do not wish to discuss the specific amounts involved at the moment. Major General Karel Kuba, the commander of the ground forces has, nonetheless, estimated this sum at tens of millions of korunas.

Gen. Kuba said that the Americans and the Germans manifested an interest in the military areas in Bohemia and Moravia last month at the Olsina '95 exercises. The Finns, Dutch, British, and French, whose units lease areas in Scandinavia in the winter and on Crete in the summer, had, however, come up with the same offer earlier.

The small military areas in Germany and the Netherlands are frequently unsuitable even for the Bundeswehr, let alone the United States Army. The larger military exercises in France can only begin when the farmers have completed their harvest. The spacious exercise areas in Boletice and Hradiste, on the other hand, offer excellent conditions for extensive troop maneuvers.

"There is everything in them—water, moorland, cliffs, and forests," said Gen. Kuba.

The leader of the District Office in Cesky Krumlov, Frantisek Mikes, would welcome the income from the more frequent sojourns in the country by NATO troops. "Inasmuch as Boletice, so much condemned in the past, is already here, it is necessary to make a profit from it," he said. "This military activity brings tourists and thus money to the impoverished Krumlov District," he added.

Ground Forces Commander Gen. Kuba also thinks that the Army could get at least part of these funds to renovate the technically neglected exercise areas. For example, if 1,000 Britons were to exercise in Sumava for two weeks and if Britain were to pay $11 per person per day, the state would earn $154,000. The Western units would pay for food and fuel separately.

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On the other hand, the Karlovy Vary and Olomouc District leaders are not inclined toward leasing their nearby military exercise areas. Following their 20 years of experience with the Soviet Army, the people in the Olomouc District are especially concerned about the arrival of more troops.

The Libava military area near Olomouc is, according to district leader Frantisek Neplech, one of the most beautiful corners of Moravia, even though the Soviet Army's troops devastated it over a period of 20 years. "They did literally what they wanted here," he said.

This very experience leads Neplech to propose that the arrival of foreign troops in the Czech Republic has to be legally defined down to the last detail. According to the Defense Ministry's lawyers, this issue could be incorporated into one of the laws under preparation—for example, the law on the Army. Legislators do not envisage, however, that parliament will adopt it within a year.

The leader of the Karlovy Vary District Office, Josef Turek, said that the idea of leasing the adjacent Hradiste area to Western armies had come as an unpleasant surprise to him. "We do not need maneuvers for the foreigners to come to Karlovy Vary. Besides, after work, the soldiers would go not to the sanatoriums, but to the local erotic bars. Karlovy Vary does not need such an advertisement," he said.

Police Confiscate Semtex in Olomouc

LD1910193495 Prague Radiozurnal Radio Network in Czech 1500 GMT 19 Oct 95

[FBIS Translated Text] Seven kg of Semtex explosive have been confiscated by the police in Olomouc, Moravia, from a 40-year-old man who intended to sell the substance, together with 13 detonators, to so far unknown people.

Vladimira Konecna, spokeswoman for the Olomouc district police directorate, said that the police have so far failed to find out where the detained man got the explosive or to whom he offered it and why.

'Largest Ever' Haul of Forged Bank Notes Seized

AU1910135195 Prague LIDOVE NOVINY in Czech 14 Oct 95 p 5

[Report by CTK: "Forged Bank Notes"]

[FBIS Translated Text] Prague—Police officers from the unit for detecting organized crime made their largest ever haul of forged Czech and German bank notes in Karlovy Vary on 11 October. It involved 3 million korunas [Kc] in Kc1,000 notes and almost 1 million German marks [DM] in DM100 and DM1,000 notes. The operation was carried out in cooperation with a German crime squad, which had given the Czech Police the information. The police conducted the operation on a Karlovy Vary highway, where they stopped a car containing the forged bank notes. The people detained were unarmed and offered no resistance.

Uncertainty Revealed Over ODS-KDS Merger

AU1910175695 Prague LIDOVE NOVINY in Czech 17 Oct 95 p 1

[Report by Martin Manak: "The Integration of the KDS and ODS Is Uncertain"]

[FBIS Translated Text] The November congress of the Christian Democratic Party (KDS) does not have to approve its merger with Klaus's Civic Democratic Party [ODS] and may, alternatively, remove Ivan Pilip from his post as KDS chairman. At the same time, opponents of the merger are preparing to establish a platform "For the Preservation of the KDS."

One of the initiators of preserving the party's independent existence, Pilip's adviser Rostislav Gargulak, claims that, of the 12 KDS district organizations, the representatives of the Christian Democrats, who have already negotiated the merger with the ODS, have the support of only Prague and Brno. Therefore, he thinks that delegates at the KDS congress, which is to take place on 18 and 19 November in parallel with the ODS congress and the Club of Non-Aligned Activists [KAN] congress, will not approve the merger with the ODS and will elect a new party leadership.

The KDS North Moravian district organization, which represents roughly one-quarter of the party's membership base, has already rejected the merger with the ODS. "The ODS is plutocratic—that is, it favors a government of the rich, which is at variance with the Christian view of the world," said the organization's chairman, Antonin Marek. The North Bohemian organization of Pilip's party has also expressed itself in favor of its continued independent existence without the ODS and, according to its deputy chairman, Jiri Marecek, it will convey this point of view at the November congress. The other districts have not yet officially discussed their stances toward the merger.

According to the draft integration agreement, which was signed by the two parties' most senior representatives at the end of June, the KDS and the ODS are to merge on the day the joint lists of candidates for the elections to the Chamber of Deputies are handed over. The KDS would cease to exist on this date, and its members would automatically become ODS members. The agreement guarantees that a KDS candidate will be placed in an

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electable position [on the list of candidates] in four constituencies.

Gargulak thinks that the agreement is extremely unsuitable for the KDS. Among other things, he pointed out that one of the four electable positions will fall to a representative of KAN, which is to merge with the KDS in November. Pilip's adviser criticizes the fact that the agreement does not make it possible for the Christian Democrats to maintain a faction within the strongest governing party. "It is impossible to implement a Christian Democratic program within the ODS in the long term," claims Gargulak, who emphasizes the difference in the ideological orientation of the two parties. Moreover, he claims that the Pilip leadership did not have a mandate to conduct political negotiations with the ODS, negotiations whose aim was the annulment and, thus, the loss of the KDS's identity.

In the text of the platform "For the Preservation of the KDS," which is to be established officially on 4 November, party members are urged to reject the agreement on the merger with the ODS. "We have already drawn up a scenario for our future course of action, the aim of which is to preserve the KDS program on the political scene," it says in its conclusion.

The ODS leadership is not, according to our information, familiar with the real events in the KDS. "The merger is going ahead; this process has the full support of the KDS leadership, and this support also exists in the majority of regions," said ODS Chairman Vaclav Klaus on 14 October in reply to a question from LIDOVE NOVINY. KAN's leader, Emil Dejmek, told LIDOVE NOVINY that, if the Christian Democrats do not approve the agreement on the merger with the ODS at their congress, he will strive for the so-called solo option—that is, for a merger between the ODS and a KAN not within the framework of Pilip's party. According to Dejmek, preliminary talks have already been held on a bilateral agreement between the civic democrats and the nonaligned activists.

Kyrgysztan-Bound Radar System Still in Country

AU1910143895 Prague MLADA FRONTA DNES in Czech 16 Oct 95 p 2

[Article by "(km, lup)": "The Tamara Destined for Kyrgysztan Has Still Not Left the Republic"]

[FBIS Translated Text] Prague—The unique Tamara passive radar, whose approved export to Kyrgysztan in Central Asia now appears to be suspect, is still in the Republic. So there is no risk at the moment that this reconnaissance system would be exported abroad without all of the doubts about its possible illegal reexport to a third country being refuted.

The Czech authorities are now looking into whether the Kyrgysz Defense Ministry is really to become Tamara's owner. Namely, four months ago, the Trade and Industry Ministry issued an export license for Tamara with the proviso that the final user of this state-of-the-art intelligence device is the Kyrgysz Army, which has committed itself to this. "This is now being verified once again because there are signs that the reconnaissance radar would not have to end up in Kyrgysztan at all," confirmed a source from the security corps.

The adviser to the deputy foreign minister, Jaroslav Olsa, has said that the request on whose basis the export was authorized in September was supported by all of the required documents, but, despite this, his office is paying extraordinary attention to the whole issue.

Tamara's manufacturer, the Pardubice-based HTT Group, claims that it obtained the necessary document authorizing the export directly from the Kyrgysz Government. "We have no reason to be concerned. We have confirmation from the Kyrgysz Government that this country will be Tamara's final user," declared the company's vice president, Ludek Stodulka.

Reliable diplomatic sources have said that all of the Kyrgysz side's documents and the signatures on them are genuine, and, therefore, they are no longer being checked. "The investigation is aimed more at finding out if local senior civil servants are mixed up in possible fraud," revealed the sources.

According to a report carried recently on the Kyrgysz Radio Liberty station, the purchaser of Tamara on the Kyrgysz side is the Dzhanar shareholding company. The station's correspondent got this information directly in Kyrgysztan's capital, Bishkek, from well-informed sources close to the local government.

Army Truck Tender Result Considered Dubious

AU1910165795 Prague MLADA FRONTA DNES in Czech 16 Oct 95 p 1

[Article by "km": "Avia Trucks, Picked by the Army, Do Not Satisfy the Criteria"]

[FBIS Translated Text] Prague—The Defense Ministry closed another tender, in which, this time around, the supplier of medium-weight road trucks was selected. The competition was won by the Prague truck manufacturer Avia, with its A-31 T-N truck. At the same time, this vehicle does not comply with the terms of the tender, so even this competition apparently cannot avoid having some objections being raised.

Avia did not satisfy an important condition of the tender, namely, that the cab of the vehicle can be lifted. Avia

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Director General Vladimir Devera confirmed that this actually was one of the conditions of the tender and that the Avia vehicle does not have such a cab. He refused to comment on Avia's winning the tender nonetheless. "I, myself, am surprised that we succeeded in this competition," he stated.

The Army will first purchase 10 of these vehicles worth some 6 million korunas. Nevertheless, this contract is considered a very lucrative one. Namely, it is expected that, over the next few years, the Army will purchase substantially more vehicles and that it will return to the same manufacturer. This could be done without a new tender.

Among the losing firms are the Roudnice ROOSS company—the favorite of the competition—as well as the German firm Volkswagen.

The Army managed to conclude this tender only in the second attempt. The first time around, the order had to be canceled because two of the three competing firms did not satisfy all of the criteria for entering the competition.

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Russian Security Experts Hold Talks in Bratislava

AU1910175995 Bratislava SLOVENSKA REPUBLIKA in Slovak 18 Oct 95 p 2

[Statement by Embassy of the Russian Federation to the Slovak Republic]

[FBIS Translated Text] Bratislava—A working meeting of Russian and Slovak experts was held in Bratislava a few days ago, aimed at an informal exchange of views on questions of Pan-European security, NATO plans, and Russian-Slovak cooperation. On the Russian side, the meeting was attended by, among others, Sergey V. Yastrzhembskiy, ambassador of the Russian Federation to the Slovak Republic; S. Kortunov, consultant of the Russian president's adviser for national security issues [konzultant poradcu]; and E. Kozhokin, director of the Russian Center for Strategic Studies. Slovakia was represented at the meeting by deputies to the National Council of the Slovak Republic, political scientists, and representatives of scientific and banking circles.

Meciar-Led Delegation To Visit Russia 30-31 Oct

AU1910144095 Bratislava PRAVDA in Slovak 18 Oct 95 p 2

[Report by "ns": "Vladimir Meciar to Russia"]

[FBIS Translated Text] Bratislava—Prime Minister Vladimir Meciar will leave on 30 October for a two-day official visit to the Russian Federation at the invitation of his Russian counterpart, Viktor Chernomyrdin. He will be accompanied by Deputy Prime Minister Sergej Kozlik; Alexander Rezes, minister of transport, communications, and telecommunications; and Minister of Economy Jan Ducky. The main topics of the talks will include the new concept of Slovak-Russian cooperation, the unfreezing of our claims, and the completion of Mochovce [nuclear power plant]. After his stay in Russia, the Slovak prime minister will visit Turkmenistan.

Group Inspects Destruction of 21 MiG-21's

LD1910172395 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1400 GMT 19 Oct 95

[FBIS Translated Text] The visit of a nine-member international group from the United States, Canada, and Belgium ended in Sliac [central Slovakia] today with the signing of an inspection report on the destruction of 21 planes of the MiG-21 type. The team of experts, headed by the U.S. Army's Lieutenant Colonel Mark [?Koder] noted that the above-mentioned military equipment was destroyed in a stipulated manner and in accordance with the Treaty on Conventional Armed Forces in Europe.

Rejection of Hungarian Interpretations of Treaty

AU1910140195 Bratislava SLOVENSKA REPUBLIKA in Slovak 17 Oct 95 pp 1-2

[Article by Dusan Slobodnik, chairman of the parliamentary Foreign Affairs Committee: "Who Will Take Up Arms and Liberate the Supposedly Oppressed Hungarians?"]

[FBIS Translated Text] Bratislava—The real attitude of some political representatives in Budapest toward Slovakia differs greatly from the official position, betraying efforts to enforce collective rights and territorial autonomy for minorities. What other explanation could there be for the words of A. Balogh, director general of the Hungarian Foreign Institute (UJ MAGYARORSZAG, 30 September), who wrote: "...what matters is that Recommendation of the Council of Europe Parliamentary Assembly No. 1201 has been incorporated into the (Hungarian-Slovak) treaty, as a result of which we have succeeded in emphasizing the idea of territorial autonomy." Not to mention the addendum, which is an affront to our democratic statehood: "In spite of this, one can fully understand the feelings of 'Felvidek' [Upper Country: Hungarian-term for pre-1918 Slovakia] (!!!) Hungarians toward this treaty because its signing has legitimized the policy of the Meciar government." (!!!)

Problematic Ratification

One can hardly regard it as a manifestation of Hungary's positive attitude toward Slovakia, which is systematically being undignifiedly and contemptuously labeled "Felvidek," an irredentist term that is unacceptable from the viewpoint of Slovak statehood—when Minister of Foreign Affairs Laszlo Kovacs threatens: "...sanctions can be imposed for their disregard (recommendations contained in document No. 1201) or violation." Here it is necessary to clearly say: Without official Hungarian confirmation of the supplement to the treaty that was presented precisely to Laszlo Kovacs on the day of the treaty's signing in Paris, or without an interpretation of Recommendation No. 1201 by the Council of Europe, or without a protocol on the interpretation of the treaty concluded between Hungarian and Slovak lawyers and "ratified" by the prime ministers, it will be very difficult to push the ratification of the treaty through the National Council of the Slovak Republic.

Rejected Recommendation

It would be a historical paradox and a dangerous precedent for the whole of Europe if "interpretations" of the treaty such as A. Balogh's came to be regarded as binding, especially in view of the fact that, on 9 October 1993, the Council of Europe Ministerial Committee

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rejected Recommendation No. 1201 as a whole and, in lieu of it, initiated the drafting of the Framework Agreement on the Protection of Ethnic Minorities. This Framework Agreement, signed in Strasbourg on 1 February 1995 and already ratified by both Hungary and Slovakia, is regarded in the Council of Europe as a binding, legally valid basic document on the protection of minorities, including the supplement on cultural rights, known as Recommendation No. 1255, in which Article 11 of Recommendation No. 1201 no longer features. This was confirmed to a NEPSZABADSAG reporter even by Council of Europe Secretary General D. Tarshys.

Protecting Power

This is why the attitude of [Coexistence Chairman] Miklos Duray is peculiar, to say the least, when he claims that, after the ratification of the treaty, it will be possible for "...Hungary to exercise the status of protecting power (!!!) in relation to Hungarians in Slovakia." (UJ SZO, 28 September 1995)

These statements, predictions, and hopes clearly confirm that some politicians in Hungary, to say nothing of Miklos Duray, hope to be able to dictate to Slovakia their conditions and act as the "protecting power."

What is more, voices are even to be heard—though, for the time being, they are formulated only in the form of questions addressed to the Hungarian opposition—such as those expressed in the 30 September issue of the daily MAGYAR HIRLAP: "What should we do then? Take up arms and liberate the (?) oppressed Hungarians? No matter how many times in history we used this method (an admission, at long last!), we always had to pay bitterly for it."

Question of Strength

I cannot but quote a statement by Minister of Foreign Affairs Laszlo Kovacs: "I hope that even the opposition does not think that we should impose our will on the neighbors by force."

These are not good signals. On the basis of falsehoods (the truth is that the status of the Hungarian minority in Slovakia greatly surpasses European and Hungarian standards), forces are becoming active within the Hungarian opposition that dare, also under the influence of Miklos Duray and the heaps of lies and slanders he is spreading, [Hungarian Civic Party Chairman] Laszlo Nagy, or [Hungarian Christian Democratic Movement Chairman] Bela Bugar, to enunciate bellicose ideas.

And the Slovak opposition is colluding with these evidently hostile individuals, whose (unattainable) aim is to liquidate Slovak statehood and recreate "Felvidek" and is plotting with them another putsch.

Slovakia and the Slovak nation, which has attained its longed-for independence, cannot be silent.

Cabinet Indignant at 'Liquidation' of Country

AU1910175895 Bratislava SLOVENSKA REPUBLIKA in Slovak 18 Oct 95 p 5

[Unattributed report in the "Yesterday in the Government" rubric: "Serious Concern; Liquidation of Our State on the International Scene Culminates"]

[FBIS Translated Text] The regular provision of information with which government meetings routinely open was interrupted yesterday morning by Minister of Agriculture Peter Baco. He expressed serious alarm at the massive campaign of disinformation under way abroad. He pointed out that even foreign periodicals such as THE ECONOMIST and ASAHI SHIMBUN that do not devote much attention to Slovak policies have published extremely unobjective reports that Slovak policies, in spite of Slovakia's own norms, are becoming increasingly disagreeable [stale neprijemnejsou]. There is talk, apart from Prime Minister Vladimir Meciar's permanent pressure for the president's resignation, of kidnappings, people being beaten up, and police raids.

There are vivid descriptions of the incident involving the president's son, exactly as it was emotionally imparted to the press by the president's spokesman, complete with hoods over the head and electric shocks administered to genitals. President Michal Kovac is being quoted as having said that a meeting [of the president's son] with German investigators had been agreed to for 18-22 September, but someone was interested in preventing that meeting. Furthermore, Jan Carnogursky is being quoted as former prime minister and now a member of the parliamentary defense and security affairs committee, who speaks about evidence that a secret service agent with a diplomatic passport was at the border the whole day [on the day of the kidnapping] and voices the suspicion that Prime Minister Vladimir Meciar, with the chief of the secret service, was also there the same evening. The second story is about the deputy chairman of Christian Democrats, the leading opposition party, who was beaten up in front of his own house and who also blames this attack on the secret service.

There is talk about Vladimir Meciar's intimidating methods directed against the church, identical to those that were endemic to the communist era. Minister Peter Baco voiced the serious concern that the liquidation of our state on the international scene is just culminating,

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with the support of the opposition. The defense of our positions is becoming increasingly difficult. Minister Baco sees defense against this campaign in the provision of truthful and objective information, in which the diplomatic corps, too, must assist. The president of the Slovak Republic travels abroad without the knowledge of our Ministry of Foreign Affairs, his trip is prepared by a foreign foundation that cooperates with the opposition Christian Democratic Movement, and our ambassador is not even permitted to attend the talks.

According to the government, this situation exceptionally devalues the good name of Slovak diplomacy in the world, endeavors to put Slovakia into international isolation, and, consequently, to cause the lowering of our state's economic standard. Some ministers warned that a similar situation existed also before the eruption of the war in former Yugoslavia. Even if we are not in the Balkans, they will try to create it here artificially because Slovakia as a symbol of successful independent development and a state pursuing its own path can be dangerous for many foreign circles.

After discussing measures in response to the above events, the government devoted itself to its agenda.

Cabinet Asked To Reassess Attitude Toward West

AU1910192795 Bratislava SLOVENSKA REPUBLIKA in Slovak 18 Oct 95 pp 1-2

["Statement by the Association of Slovak Journalists on the Anti-Slovak Campaign in Foreign Media"; place and date not given]

[FBIS Translated Text] In the past few months, articles containing disinformation about Slovakia have again started appearing more frequently in opinion-forming foreign media. The almost cyclical recurrence of such articles, at short intervals, especially in the large European and American dailies, suggests that this is an internationally organized and synchronized campaign against Slovakia and its state and national interests.

It is a campaign, the forms, contents, and means of expression of which clearly bear the features of imperial racism and the scenario for the great-power production of so-called banana republics.

Vladimir Meciar serves only as a pretext for these imperial attacks. Under this situation of the state of trust in Western communities, Slovakia should consider the degree of its accommodating attitude toward countries, whose media, under the silence of their governments, are in the forefront of this imperial campaign. [sentence as published] We draw attention to the role played by these Western mass media in the tragedy of the nations of Yugoslavia, with the aim of gaining economic and power control over the Slavic nations of the Balkans. Slovakia, as the example of a state that has achieved its statehood by peaceful means and, because of its endeavor to pursue its own path of economic development, stands in the way of efforts to control the Central European space. This is the reason for the current campaigns. The blockade of the Government of the Slovak Republic and its constitutional bodies is a blockade of Slovakia and its citizens' right to their sovereign national and state life. All possible means are being used in this destructive activity, including corruption through foundations and penetration of foreign capital into the Slovak media market, with the aim of seizing control of this market. We call on the Slovak Government and parliament to take measures against this organized anti-Slovak campaign. We demand that all legal means be used to protect the state interests of the Slovak Republic and to punish those citizens of the Slovak Republic who intentionally and consciously damage the interests of our homeland. We are, and will be, a democratic state. However, we must also be a state that is able to use the appropriate means to protect the citizen and the interests of our country.

Bratislava, 17 October 1995

[Signed] Secretariat of the Association of Slovak Journalists

Bishops Reject Meciar Allegations

AU1910141695 Bratislava PRAVDA in Slovak 7 Oct 95 p 2

[Article by Eva Laukova: "We Have Not Noticed Any Efforts by Clergy To Make the Government Step Down"]

[FBIS Translated Text] In an interview for Slovak Radio [on 29 September], Prime Minister Vladimir Meciar said that "there exist speculations that clergymen could be found who would demand the government's resignation." According to the government spokesman, this assertion supposedly has its justification and is based on fact. We have received from the seat of the Slovak Bishops Conference [KBS] in Banska Bystrica a reaction to the above statement, which states:

"The Roman Catholic Church stands above the nation and above time. It is from this perspective that it views the present political and social situation in Slovakia. When we consider in this context the prime minister's undiplomatic and unfounded comments, we must note that such conduct on our part would not be in the least wise.

"We can assure the prime minister and the sensation-seeking public that neither I as KBS chairman nor

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KBS Secretary General Bishop Dubovsky nor KBS Secretary Monsignor Fidermak have noticed any efforts by clergy to make the government step down," writes KBS Chairman Monsignor Rudolf Balaz. As he goes on to say in his statement, "The prime minister has been properly and legally elected. Let him complete his term of office and demonstrate his intentions, as well as those of the government he has chosen. Such statements by the prime minister do not create an atmosphere of peace and understanding. Naturally, priests, too, voted, and they, like all voters, can express their opinion.

"The church stands above the nation. Therefore, we consider our nation in context with other nations in which the church lives. After the in our opinion unlawful and unnecessary search of the house of KBS Chairman Bishop Rudolf Balaz and the entire Banska Bystrica Bishop's Office, some world agencies were asking whether such a thing really happened in our country?! They were shocked that this happened to a bishop, to the KBS chairman. Searching the house of a citizen, let alone a bishop, in his absence is something unheard of in the democratic world. It would have been possible to put a full stop to everything a long time ago, if someone had not been seeking to discredit a bishop.

"The church stands above time. Therefore, it is not linked to any system. If it issued a statement in defense of the president, it did so to defend the institution and also because it is its duty to speak out on the protection of justice and peace."

Hudek: Published Details of Abduction Insufficient

AU1910144295 Bratislava SME in Slovak 18 Oct 95 p 2

[Article by "sp": "According to Minister Hudek, There Still Are Not Enough Facts"]

[FBIS Translated Text] Bratislava—Minister of Interior Ludovit Hudek gave SME and CTK a brief interview, in which he commented on the 17 October interview with a Slovak Information Service [SIS] employee by the daily SME as follows: "Unfortunately, such facts still are not sufficient for us to be able to credibly assess this matter. It is a question of investigation. The investigator must assess evidence as it comes." Asked whether the Interior Ministry is preparing a reorganization of the Office of Investigation, Ludovit Hudek said: "I do not know about it. However, we continue to work on reorganizing the ministry as a central body of state administration. But only in the wake of the implementation of the new territorial arrangement are we going to reorganize also Police Corps units." Asked whether the government would react to the situation that has emerged with regard to SIS, the minister noted: "I am not the prime minister; I am just a government member. I react only to matters that fall within the jurisdiction of the Slovak Ministry of Interior. However, in the interpellation time [in parliament], I will react to the letter sent to me by Deputy [and SIS Director] Lexa [concerning alleged law breaches committed by investigators in the Kovac Jr. kidnapping case]."

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Kovacs Assesses Relations With Belgrade

AU1910182595 Budapest MAGYAR NEMZET in Hungarian 19 Oct 95 p 11

[Interview with Foreign Minister Laszlo Kovacs by Gabor Lambert; place and date not given: "The Previous Level of Diplomatic Relations Can Be Restored Soon"]

[FBIS Translated Text] [Lambert] Prime Minister Gyula Horn's visit to Belgrade is the most important event of the week in Hungarian diplomacy. In the midst of the given circumstances, namely, the embargo and "downgraded" diplomatic relations, how is it possible to prepare such a trip?

[Kovacs] Hungarian diplomacy has long been thinking of moving the Hungarian-Serbian and Hungarian-Yugoslav relations from the current impasse, one that emerged as a result of the Yugoslav crisis. This has hindered our economic relations in particular, because we could not, and still cannot talk about economic cooperation and broad economic contacts in the midst of the embargo. However, it was also clear that the Yugoslav crisis would be settled at some time, and we must prepare for this period. Therefore, we consider it necessary to preserve a certain level in our relations and to follow the developments that will make a bigger advance possible. We think this opportunity has come now, because considerable progress has been achieved in the peace process. Recently, we signaled our intention to visit both Zagreb and Belgrade. We received favorable answers from both capitals. Naturally, taking into consideration the sensitivity of the issue and its international connotations, we consulted quite a few foreign partners and countries that play an important role in international politics, and we received encouragement from everywhere. Every official came to the conclusion that, this way, this visit is definitely important not only for Hungary's bilateral relations but also for settling the Yugoslav crisis.

[Lambert] Was the Hungarian intention to have our prime minister visit the two capitals one after the other?

[Kovacs] Yes, more precisely, to visit the two capitals on two different trips one after the other, and not traveling from one capital to the other.

[Lambert] Did you also determine the order, namely, which capital came first?

[Kovacs] No, we only determined a timeframe, and we asked for a reply for their readiness to host us within this framework. However, in my personal opinion, this is the correct order.

[Lambert] Does the fact that such a high-level visit came about also signal that bilateral relations have came to the fore in the Yugoslav region and the Hungarian demand to mediate was dropped, a mediation that could have been prepared in the OSCE [Organization for Security and Cooperation in Europe] framework or at the level of foreign ministerial talks?

[Kovacs] Yes, it does, but we did not propose a mediation role to the OSCE; instead, we proposed a conference with the participation of the sides involved in the conflict, the neighboring countries, and various international organizations that have been involved in efforts aimed at settling the conflict. Therefore, we did not speak about an OSCE mediation. Obviously, a lot has happened since 1 August when Gyula Horn came up with the proposal in Helsinki: A peace process has started and accelerated, an agreement was reached in Geneva and then in New York, and a peace conference at the highest level is currently being prepared. Therefore, there would no longer be any sense in such a mediation role. At the same time, many issues and even groups of issues continue to exist, and settling these issues is inevitable for a lasting peace. This is the group of humanitarian issues, including special emphasis on the return of refugees, as well as the renewed operation of democratic institutions, and issues generally connected with the functioning of democracy. Respect for human rights and the rights of national minorities must have special emphasis here, because the return of refugees also depends on this. The other big issue is economic reconstruction and the reduction of arms and troops in this region. These are broad issues that can only be solved through very close and efficient cooperation, rather than rivalry, of various international organizations, the OSCE, and others.

[Lambert] Does that mean that, in a given case, Hungary might also play a role in this settling process?

[Kovacs] Definitely, Hungary might play and will play such a role as the current chairman of the OSCE; for example, Hungary will participate in every important international conference until the end of this year. In addition, Gyula Horn's proposal was also welcome, namely that countries neighboring the crisis region, and not only countries involved in the crisis, should also participate in the settling process, and this naturally also refers to Hungary.

[Lambert] The concepts according to which we can participate in the reconstruction process are similar to those when, after the collapse of the Soviet Union, we had hopes in matters of "triangle" deals, namely, that the West would finance our exports to the markets of the former Soviet Union. To what extent are our current expectations more founded, namely, that we might be

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able to get compensation for our losses incurred through the embargo?

[Kovacs] The situation is similar today, namely, that Hungary can mobilize expertise and know-how for this, and not financial means. At the same time, there is also an essential difference, namely, that currently there is some kind of a justified demand for compensation, a demand recognized by the international community, compensation for a loss of more than $2 billion. The way we see it, we do not stand the chance of getting this money back from the United Nations, although the UN secretary general recognized the demand as justified. Thus, the assumption that our participation in reconstruction might mean that some kind of compensation for Hungary can be justified.

[Lambert] Will we also discuss this in Belgrade?

[Kovacs] Yes.

[Lambert] According to the Hungarian diplomacy, what is possible and what is desirable in settling the fate of the ethnic Hungarians in Vojvodina?

[Kovacs] In my view, the fate of the ethnic Hungarians in Vojvodina cannot be separated from the fate of the Serbs in Croatia or the fate of other national minorities living in the various successor states of the former Yugoslavia. One cannot apply two different standards here. The rights of national minorities must be settled on the basis of identical principles and identical standards, so that the roots of this terrible crisis disappear once and for all.

[Lambert] Will the autonomy issue be discussed more concretely, the autonomy urged by the Hungarian side? Is there any reality for this in the case of the ethnic Hungarians in Vojvodina?

[Kovacs] This issue was also discussed at the meeting between Gyula Horn and the representatives of Hungarian organizations in Vojvodina and Croatia. I think it is very important for the Hungarian organizations in Vojvodina to have a uniform autonomy concept accepted by everyone. It is difficult, and almost impossible, to support autonomy concepts that confront each other, because the Hungarian Government cannot play the role of providing justice. We have the possibility of supporting a uniform autonomy concept, naturally if it is in harmony with European norms and European practice, as the Hungarian Government program also stipulates this.

[Lambert] To what timing can we connect resumption of diplomatic relations with Belgrade to the previous level? Are there any preconditions for this?

[Kovacs] I think that this depends on progress in the settling process. I do not think a long time will pass till then. If the peace process continues to progress the way it has in recent weeks, we can restore our diplomatic relations to the previous level in the near future and, similarly important, we can rapidly restore, develop, and broaden our full-range economic cooperation after the UN embargo is abolished.

Horn on NATO Membership; Says Russia Unopposed

LD1910214095 Budapest Kossuth Radio Network in Hungarian 1700 GMT 19 Oct 95

[FBIS Translated Text] Hungary is making good progress in meeting the conditions for NATO membership, Gyula Horn said in Ujdorogd where he inspected a multinational staff exercise in the framework of NATO's Partnership for Peace program. Gyula Horvath reports on his brief speech.

[Horvath] A decision on the date for starting talks on joining NATO and its schedule is expected to be made within months.

Regarding various Russian views, Gyula Horn referred to an official Yeltsin-Chernomyrdin statement in March, according to which Russia does not oppose our NATO membership and considers the issue to be Hungary's internal affair.

In connection with his visit to Belgrade, Gyula Horn stressed that Hungary is interested in participating in the lifting of economic sanctions and restructuring as they are means of creating peace.

Joining Schengen Agreement Not Yet on Agenda

LD1910094595 Budapest Kossuth Radio Network in Hungarian 0700 GMT 19 Oct 95

[FBIS Translated Text] The extension of the Schengen agreement to Hungary is not on agenda at the moment; therefore, a possible restriction of Hungarians living beyond our borders from crossing our borders should not even be raised. Foreign Affairs State Secretary Istvan Szent-Ivanyi told our program that the Schengen agreement requires common visa policy only from member states.

Assessment of MSZP's Internal Conflicts

AU1810194295 Budapest MAGYAR HIRLAP in Hungarian 18 Oct 95 p 5

[Article by Balazs Stepan: "The MSZP Is Seeking Its Identity—Party Commitment Is One Thing and Government Policy Is Another—The Conflicts Are More Visible Before a Congress"]

[FBIS Translated Text] What can we expect and what does the Hungarian Socialist Party's [MSZP] current

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crisis indicate? Is the party struggling with a real value crisis or has simply the aftermath of the coalition and government crisis reached the party? Both are possible and it is understandable that, preparing for the congress, the internal conflicts surface more markedly. We sought answers to these questions with the help of political scientists Istvan Schlett and Istvan Stumpf.

According to Schlett, the MSZP's internal crisis can be traced to its large election victory, although the timing, the peaking of the conflict, indicates that, with the approach of the congress, there is an increasing need for a solution to the conflict. Sociological research has revealed that the majority of domestic voters, at least 50 percent, are "migrating" voters, which means that they naturally support the expected winner. This is one of the causes of the MSZP's crisis. The essence of the party's crisis stems from the fact that the top managerial strata and the camp of the big losers, those falling behind, are equally over-represented in it. The party cannot meet the needs and demands of both groups at the same time. The MSZP unites two extremes in itself, as is also reflected by its inner divisions, its lack of inner balance, and the marked presence of contradictory value systems and groups. "All social tensions appear in the party, the parliamentary group, and the government," Schlett claims. Members of the MSZP's parliamentary group—mostly those who were elected in individual districts—feel that the party's electoral basis is being eroded, and this is being reflected in the deputies' behavior and decisions.

Many people believe that the MSZP's crisis cannot be solved through personnel issues, Schlett says. Naturally, personal consequences do emerge because the leading personalities embody the various tendencies and their struggle, but personnel issues will not solve the crisis. A political solution has to be found, otherwise the party will split up.

According to Schlett, the MSZP's current situation does not resemble the Hungarian Democratic Forum's [MDF] crisis. The MDF's leading elite was more homogeneous, while, according to some observers, deeper and often unbridgeable conflicts can be found in the MSZP. For example, Laszlo Bekesi has suggested that the government should function and make decisions without ideological obligations. In Schlett's view, this is not feasible because, in this way, the government would remove the voting basis from the MSZP. Making the government independent of society is a method of dictatorships, Schlett warned.

In Schlett's view, a lasting and protracted conflict has to be expected, which means that only slow decision-making and haphazard progress with large diversions can be expected of the government. This is nothing unusual, because it is an empirical way of political cognition alternately to try out various compromise steps and to decide on the next step on the basis of experience. "However, society expects the government to start finally to govern in a predictable way," Schlett believes.

According to Stumpf's assessment, the MSZP's confused identity is being shown in its current crisis. It has become clear that what the government believes to be correct cannot be reconciled with the party's value system.

The party's commitment is different from the practice of government policy. "Now the voice and the picture have to be coordinated and the party has to decide with a half or a full turn exactly what it wants to represent and how. Everyone knew that difficult measures would have to be taken in the current situation, but no one was prepared for the introduction of them." The traditional social democratic parties of Western welfare states are also struggling with similar problems and they cannot find the answer, either, but they can seek the correct solutions in more favorable circumstances.

Western parties are trying to open up to intellectuals and young people, because the opinions of these two strata are supposed to be decisive, a kind of "litmus test."

According to Stumpf, a half turn can be expected at the congress, which will mean the survival of the coalition and the victory of the social liberals. A full turn would require the rewording of the Bokros program, but the finance minister's measures enjoy the confidence of foreign capital and have attracted the IMF's benign support.

This is an external argument in favor of maintaining the coalition. Therefore, the coalition will be maintained and, as a result, according to Stumpf, the MSZP will be forced to conduct its policy by maneuvering between the larger trade union wing and the smaller social liberal wing.

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Minister Warns Against 'Overt' Optimism on Talks

AU1910174195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 19 Oct 95

[FBIS Translated Text] Bosnia-Herzegovina must prepare for a long-lasting battle for peace, Foreign Minister Muhamed Sacirbegovic said in the Colombian city of Cartagena, where he is attending the 11th conference of the NAM [Nonaligned Movement] heads of state or government.

Sacirbegovic warned against overt optimism when it comes to the peace negotiations announced for 31 October in the United States, since the ideological differences between the Bosnia-Herzegovina Government and the Serb aggressor's side were deep.

SDA Views State Based on Austro-Hungarian Model

AU1910173995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 19 Oct 95

[Report by Dzevad Kucukalic on an SDA news conference in Sarajevo on 19 October—recorded]

[FBIS Translated Text] The public often wonders, when it comes to the peace talks on Bosnia-Herzegovina at the end of October, what about the things that have already been agreed. It depends on the final peace solution. If there is no peace solution, then everything agreed so far does not count. This was said at the beginning of the news conference by Ismet Grbo, director of the Center for [word indistinct] and public relations.

Edhem Bicakcic, deputy chairman of the Party of Democratic Action [SDA], spoke about tomorrow's very important session of the SDA Executive Committee. He said that the same delegation will try to achieve the basic aims: the preservation of central authorities and the external borders of Bosnia-Herzegovina. An attempt will be made to find a satisfactory territorial demarcation in accordance with the negotiating position that was adopted by the Bosnia-Herzegovina Assembly. This refers to talks on the maps, which imply the solution to the problem around Brcko and Gorazde. If we manage to preserve the central authorities, then we will prevent the process of disintegration and preserve the entire Republic of Bosnia-Herzegovina, Edhem Bicakcic said. He said that Austro-Hungary was a strong dual monarchy, even though it had only three joint powers: foreign policy, defense, and finances.

SDA Deputy Chairman Edhem Bicakcic said that the SDA would offer tomorrow a new model for the functioning of the overall Federation. This would solve all the interior problems of Bosnia-Herzegovina, while the foreign powers would belong to the Republic, which carries state sovereignty. The friends of the Federation, the mediators and arbiters, could contribute to this. The SDA has implemented all the decisions so that the transitional authorities in Bugojno will soon be constituted.

The reporters asked about the [word indistinct] cases of Vares, Jajce, Mrkonjic Grad, and Mostar. Edhem Bicakcic said that he expected a solution soon and more freedom for the Bosniaks. He gave the recent positive examples of Orasje, Livno, and Tomislavgrad.

The SDA deputy chairman also hinted that the party's Executive Committee would be seriously reshuffled and new people brought in. He said that the chairmen of the cantonal committees would enter the Executive Committee, but only people that had over the last four years of war—apart from contributing to the defense of the homeland—also contributed in the first place to the [word indistinct], state, and family, and only then looked after their own interests.

The SDA will use resources donated by Saudi Arabia to form a foundation for scholarships for particularly talented children.

Sacirbegovic: Croat-Bosniak Fate 'Intertwined'

AU1610101995 Zagreb GLOBUS in Serbo-Croatian 13 Oct 95 pp 9-10

["Exclusive" interview with Muhamed Sacirbegovic, foreign minister of Bosnia-Herzegovina, by Antun Masle; place and date not given: "If the Kiseljak-Sarajevo and Sarajevo-Gorazde Roads Are Not Opened in Ten Days at the Latest, We Will Not Consider the Cease-Fire as Valid Any Longer"]

[FBIS Translated Excerpt] [Masle] Have all the condition for the cease-fire been fulfilled?

[Sacirbegovic] I am not sure that all the conditions for the cease-fire have really been fulfilled. A quarter of an hour ago I spoke with President Izetbegovic. He told me that it was still not completely clear that Sarajevo would really be permanently supplied with sufficient amounts of electricity and gas. Yet, we hope that electricity and gas will come into town, if not straight away, then in several days. But, there is another, a much more important, condition for a permanent cease-fire. Prime Minister Silajdzic has asked the international mediators for the road between Kiseljak and Sarajevo to be urgently opened. [passage omitted]

[Masle] Yet, the biggest concession from the Serb side would be the opening of the road between Sarajevo and Gorazde. Unless that happens, will the cease-fire fail?

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[Sacirbegovic] The establishing of communications between Sarajevo and Gorazde is a part of the cease-fire agreement, but the international mediators have warned us that such an operation, because of the specific situation on the terrain, requires at least 7-10 days. We have agreed with that assessment of American military experts, under one condition.

Namely, we said that we were ready to wait 7-10 days, but that we would not take part in the next round of peace talks, if the Sarajevo-Gorazde and Sarajevo-Kiseljak roads are not opened. Those roads must be opened in the agreed time, in order for us to proceed with the negotiations. [passage omitted]

[Masle] Are the lines that have been reached before the cease-fire the final separation lines between the conflicted parties?

[Sacirbegovic] We cooperate militarily with the Republic of Croatia, and we wish to achieve the best possible starting position for the negotiations. By this I do not only mean the negotiations about Bosnia-Herzegovina, but also the negotiations about eastern Slavonia. However, I do not believe that new borders should be entirely determined through military actions; we must also create preconditions for a better negotiating position of the republic and the federation when it comes territorial and constitutional issues.

At the same time, military actions in Bosnia create preconditions that will to a great extent help the Republic of Croatia in solving its most important strategic question—the reintegration of eastern Slavonia. So I believe that, thanks to the cooperation with the Bosnia-Herzegovina Army, Croatia will come to an even more favorable position for the liberation of eastern Slavonia.

[Masle] Does that mean that the Croatian Army, the Croatian Defense Council [HVO] and the Bosnia-Herzegovina Army will act in a synchronized way towards the momentarily occupied territory of Croatia, and that the Bosnia-Herzegovina Army and the HVO will keep the Serb forces busy in the case of the action of the Croatian Army in eastern Slavonia?

[Sacirbegovic] It is clear that our strategic interests are thoroughly intertwined. That can be seen best in the example of the liberation of "Krajina." Without the action of the Bosnia-Herzegovina Army, Croatia would definitely not have been able to solve the problem of "Krajina" so quickly and simply. That means that the issue of the reintegration of eastern Slavonia in the Croatian legal and political system, and the speed in which that can be achieved, also depends on the military cooperation of Croatia and Bosnia-Herzegovina, and the respect of mutual strategic interests.

For the time being the Bosnia-Herzegovina Army and the HVO cannot join in the possible action of the liberation of eastern Slavonia, but their joint action in Bosnia creates new balance of power, unfavorable for the Serbs. The Republic of Croatia and Bosnia-Herzegovina must end the war together, and after the war they must act together in the direction of NATO and the "Partnership for Peace" program.

Minor Incidents

[Masle] You idealize the cooperation of Croats and Bosniaks, and stress their mutual interests. However, on the other side, there have been reports of minor new conflicts between Croat and Bosniak troops on the ground. How do you view the reports of the UNPROFOR [UN Protection Force] and other international factors on the conflicts on the territory of western Bosnia?

[Sacirbegovic] Although the representatives of the two sides immediately denied the news about conflicts, around Cazin for example, it is a fact that there were some minor incidents. I believe that these were individual cases, which do not imply the beginning of a conflict of bigger, more serious proportions. I believe that the problems that provoked the conflicts have now been solved and that those incident will not happen again.

The responsibility of us politicians and diplomats, both from the Bosniak and the Croat side, is to build mutual confidence. Personally I am sure that both sides want that, without any secret thoughts and hidden moves.

It is a fact that the Serbs wish for conflicts between Croat forces and the Bosnia-Herzegovina Army very much, and that they try to multiply and spread any news on incidents between irresponsible groups or individuals. However, I repeat, I am sure that Croat-Bosniak conflicts will never happen again.

[Masle] In the last 10 days the Bosnia-Herzegovina Army has suffered several heavy defeats: One of the reasons that it was forced to withdraw was that the Croatian Army did not intervene. Apart from that, Bosniaks blame the HVO for having proclaimed all the liberated territory as Croatian.

[Sacirbegovic] The agreement that Presidents Izetbegovic, Tudjman and Zubak signed clearly defines our military cooperation. For the future of the territories that have been liberated from the Serb occupation it will not be important who liberated them.

That means that the army that enters a certain town does not represent the political future of that town. After all, that is the liberated territory of the Republic of Bosnia-Herzegovina, regardless of whether it is under Croat or

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Bosniak military control. Also, we have to know that there will still be some negotiations about the future of those territories concerning the relationships within the federation, and the relationship of the federation towards the Serb entity.

Eventually, so long as Croat and Bosniak armed forces are not integrated, it is no wonder that these units use only their own respective symbols on the liberated territories.

'Europeanization'

[Masle] How do you comment on President Tudjman's recent statement for LE FIGARO, about the need to 'Europeanize' Bosnian Muslims?

[Sacirbegovic] I respect the Republic of Croatia and the Croatian people too much to be able to give a completely blunt answer to that direct question. I believe that it is clear that for Croatia the way to Europe leads through Bosnia-Herzegovina, just as it is clear that the way of Bosnia-Herzegovina to Europe leads through Croatia.

Our future is intertwined and I do not believe that we have to identify our ethnicity through religion. There are differences in the culture of our towns and territories, there are differences between Zagreb and Livno, Zenica, Bihac, and Sarajevo, but we have to respect those differences. Those are not in the first place religious differences. Muslims of Bosnia-Herzegovina in every sense belong to the European circle of peoples, and they do not need a leader to take them to Europe. I believe that the people in Croatia think the same.

Building Federation Seen as 'Most Important Task'

AU2010111395 Zagreb VECERNJI LIST in Serbo-Croatian 17 Oct 95 p 9

[Interview with Dr. Ejup Ganic, member of the Bosnia-Herzegovina Presidency and vice president of the Federation of Bosnia-Herzegovina, by Azra Kaurin; place and date not given: "The 51:49 Ratio Is No Longer Current"]

[FBIS Translated Text] *Dr. Ejup Ganic, member of the Presidency of Bosnia-Herzegovina and vice president of the Federation of Bosnia-Herzegovina, has just spent three months recovering from the consequences of a serious car accident. On returning to his country from Vienna, where he received his medical treatment, he gave his first interview to VECERNJI LIST [Zagreb].*

[Kaurin] You have been absent from Bosnia-Herzegovina for three months. Has there been development or stagnation in the Federation of Bosnia-Herzegovina?

[Ganic] Many things have stayed as they were three months ago, including the carrying out of the decision on the establishment of cantons, suggested by our common friends—the arbitrators. From that point of view there has been no further development. However, there have been results in the field of joint actions of the Army of Bosnia-Herzegovina and HVO [Croatian Defense Council]. In those meetings mutual trust has been built, joint visits have been organized, equipment borrowed and lent, information exchanged, and finally, actions coordinated, where not carried out together. There had been a lot of foot-dragging and prolonging, discussions had been too general, until Mr. Zubak and I began to preside over the meetings. That is, there has been some development in the domain of cooperation between the Army of Bosnia-Herzegovina and HVO.

[Kaurin] How do you comment on the present political situation in Bosnia-Herzegovina?

[Ganic] The present political situation is marked with expectations. One could not say it is bad. However, we have to be cautious and analytical.

Pressures Put on Bosnian Leadership

[Kaurin] What are your first tasks after returning to this country? What will your priority issues be?

[Ganic] My most important task is the building of the Federation and further strengthening of the totality of relations between the Bosniaks and the Croats. I will be working on that also through the Presidency of the Federation, and through the Presidency of the Republic of Bosnia-Herzegovina. Within that, one of the most important tasks is the strengthening of cooperation between the Army of Bosnia-Herzegovina and HVO, the building of the cantons in the Federation. An important task is also following and preparing for possible talks within the U.S. peace initiative.

[Kaurin] Does not this most recent peace process put a certain pressure on the state leadership of Bosnia-Herzegovina? Can one discuss peace when some Bosnian towns are still under attack?

[Ganic] There are certain pressures put on the Bosnian leadership. We have been offered water, electricity, gas for Sarajevo, to establish a truce, but nevertheless we have not been offered the lifting of the siege of Sarajevo. Every jail has got water, electricity, gas, but it is nevertheless a jail. The shelling of the Srebrenica refugee camp in Zivinice is in fact evidence that the aggressor is in no way thinking seriously about the cessation of military activities. The refugees from Srebrenica accommodated at the camp have experienced the greatest human tragedy and now they are being showered by cluster bombs from the chetniks.

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The agreement on the truce will last until the chetniks reinforce their lines after our liberation of Sanski Most and Mrkonjic Grad, which are in the hands of the Army of Bosnia-Herzegovina and the HVO. After the liberation of Knin, Banja Luka became a blind alley and lost the significance it had had before for the Serbs. The economy of the Banja Luka region, in order to survive, has always relied upon the western part of former Yugoslavia and upon central Bosnia. For tourism and business they have always used Zagreb airport. Banja Luka has to be a free town.

Federation—Final Solution

[Kaurin] After everything that has happened, can the Contact Group plan still be valid?

[Ganic] You see, the Contact Group plan (a year and a half old) was rejected by the aggressor, and it would have been valid only if both the aggressor and the victim had accepted it. The percentage of the division of the territories by 51:49 percent is current no more, because the area under the control of the chetniks is populated by approximately 15 percent of the population, mostly the Serbs, and some Croats and Bosniaks who still have not been banished. It is not logical that 15 percent, mostly Serb, of the population in Bosnia, win 49 percent of the territory of Bosnia-Herzegovina, that is, a half of the country. The Serbs who have left Bosnia-Herzegovina, almost 45 percent of the Serb population according to the census from 1991, have got the status of refugees from Bosnia-Herzegovina and they use the legality and the legitimacy of our state in order to gain refugee status and subsequent support. According to that, they rely upon our state of Bosnia-Herzegovina, and not upon Karadzic's so-called Serb republic.

[Kaurin] Is there any possibility that after the demarcation with the Serb entity, the Federation of Bosnia-Herzegovina will disintegrate?

[Ganic] There is no possibility, because the Federation is being built as a final solution. No strategic interest of the Bosniak people jeopardizes the Croatian people, or vice versa. Of course those interests have been defined by clever and wise heads. The whole climate between the Bosniaks and the Croats is essentially good.

[Kaurin] What is the future of Bosnia? Will it be possible to harmonize the conditions set by the state leadership and the blackmailing from Belgrade?

[Ganic] The blackmailing from Belgrade day by day becomes less and less important, because the project of Greater Serbia is not feasible. The future of Bosnia largely depends primarily upon the further building of the Federation, and that is the project in which we must not make mistakes.

[Kaurin] What is the solution for Sarajevo? The status of Sarajevo has been given the least attention in this peace process, and the Serbs say that this town is their strongest trump card.

[Ganic] Sarajevo is one town that belongs to the Federation. The Serbian chetnik aggressor has been destroying that town for four years and has destroyed most of it. What else could they ask for? They have never built towns at all.

Victorious Croatian Leadership

[Kaurin] What are present relations with the Croatian leadership like?

[Ganic] Our relations are developing more and more every day. By the liberation of Knin and the Knin Krajina, the phantom Serb state behind Bosnia's back, which had represented a threat to the stability and division of Bosnia, was eliminated. Now, it is no longer a threat and the initiators of the tree trunk revolution [street barricades in 1990] can now apply the same technique all over Serbia because of unsatisfactory social status and to attain "veterans' pensions." In the conflict with the Belgrade regime, the Croatian leadership, headed by President Tudjman, is victorious, because it has organized defense well, they have a solid monetary and economic system and good foreign policy. The Croatian leadership, I think, will deal more and more with the integration of Croatia into all European streams and institutions. That is good for Bosnia, too. The destiny of Bosnia is decided in Bosnia, but the building of the good relations with the Republic of Croatia is the most important task of our politics.

[Kaurin] There have been some attempts to put your car accident in a political context. Can you tell us anything about the car accident you survived three months ago?

[Ganic] I was lucky that the highest level of the Croatian leadership was immediately informed about the accident, so that the helicopter arrived at the last moment, and I was transferred to a Split hospital. At that hospital I was treated quickly and efficiently. A surgical team consisting of Dr. Pavic, Dr. Barle, Dr. Bekavac, Dr. Savic, Dr. Peric, Dr. Bezic, headed by Dr. Petricevic, operated on me and saved my life. Everybody at that hospital, from the doorman to the manager, have been very nice and professional. I will never forget that. After being medically treated in Split, my recovery continued in Vienna, where I had to undergo some additional surgical operations. Now I feel pretty good, I have returned to my obligations full-time. I do not remember the car accident, because I was sleeping in the rear seat. I woke up after the operation.

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Offensive Halted

[Kaurin] The HVO and the Army of Bosnia-Herzegovina have in the last months liberated more than 51 percent of the territory of Bosnia-Herzegovina. Should the Army of Bosnia-Herzegovina halt the offensive, as requested by the international community?

[Ganic] The international community has to clarify how they imagine the coexistence of fascism (chetnik regime) and humanism (free territory) in Bosnia. If based upon their requesting the cessation of our liberation activities, than it signifies a postponement of the correct procedure in the search for a just peace.

Suspicion Regarding Peace Plan

[Kaurin] The public interprets the Geneva plan in a variety of ways, and the New York plan is not completely clear. There is suspicion that the U.S. initiative nevertheless divides Bosnia along ethnic lines?

[Ganic] Until everything is agreed upon, nothing is solved. The Geneva and the New York agreements are two possible steps forward. At this moment, if we analyze the situation in Bosnia-Herzegovina in detail, one could not say that it has been completely divided along ethnic lines. The Serbs hold the Banja Luka region, the Posavina region, and the major part of eastern Bosnia. Those are regions in which the Serb population has never formed a majority, so one cannot say that they are in their own ethnic territory. They are mainly in territory, on farms, and in apartments that belong to someone else.

Regarding the U.S. initiative, the chetniks essentially reject it. For the time being they accept some general formulations without any protection mechanism that could grant their full implementation. We accepted the Contact Group plan: Since then, the chetniks have destroyed a lot and committed new massacres. We are looking for a solution in Bosnia, meanwhile, the chetniks are now in power, not the normal Serbs and that is the main problem. If everybody keeps his own private property, then division is impossible. Of course, every peace plan is received with suspicion and fear until all the details are determined.

Progress Seen in Talks on Sarajevo Water Supply

AU1910192595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 19 Oct 95

[FBIS Translated Text] Sarajevo will again after six months get water from the Bacevo station, B-H PRESS has learned from Minister Hasan Muratovic's office.

At today's meeting at the airport between the legal Bosnia-Herzegovina authorities and the Serb aggressor side, under the auspices of UNPROFOR [UN Protection Force], it was agreed that the city should be supplied with water immediately and that both sides and UNPROFOR should work on repairing the waterworks system.

For the repairs on the territory under the aggressor's control our side will provide the paperwork on the installations not destroyed in the war. It was also agreed that the Igman reservoir should also be made functional.

Our expert team at today's talks was represented by Mirsad Loncarevic, adviser in the Bosnia-Herzegovina Water Company. Minister Hasan Muratovic told B-H PRESS that the Sarajevo Water Company would continue to give detailed information to the citizens on the water supplies to the city.

Bosnian Serb Army Announces Complete Cease-Fire

LD1910213495 Belgrade TANJUG Domestic Service in Serbo-Croatian 2053 GMT 19 Oct 95

[FBIS Translated Text] Banja Luka, 19 Oct (TANJUG)—The information service of the Serb Republic Army General Staff issued a statement this evening saying the warring sides have agreed that a complete cease-fire covering all of the former Bosnia-Herzegovina, particularly the western parts of the front, should begin at midnight [2300 GMT] tonight.

The statement says:

"A meeting was held at Sarajevo airport on 19 October 1995 between UNPROFOR [UN Protection Force] and the central joint commission of the warring sides for the implementation of the cease-fire agreement throughout the former Bosnia-Herzegovina.

"It was agreed at the meeting that a complete cease-fire, particularly in the western parts of the front, will start at 2400 [2300 GMT] on 19 October 1995.

"It was also agreed that UNPROFOR and regional commissions of the warring sides for the implementation of the cease-fire agreement should meet on confrontation lines near Mrkonjic Grad and Sanski Most at 1200 [1100 GMT] on 20 October 1995."

Koljevic Comments on Cease-Fire, General Mladic

AU1910185195 Belgrade Radio Beograd Network in Serbo-Croatian 1615 GMT 19 Oct 95

["Special statement for Belgrade Radio First Program" by Bosnian Serb official Nikola Koljevic; place and

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date not given; from the "Argument More" program—recorded]

[FBIS Translated] A few days ago, I agreed with General Smith to send observers so that this signed truce, which the Muslim [Bosnia-Herzegovina Government] and Croatian side have not been respecting, would be kept, that is, so that their violations would be sanctioned. The first team has arrived and we expect a further arrival of observers.

However, as we talk, I am trying to establish a direct telephone link with Gen. Smith, because I have demanded in a letter that I sent him today that he seriously analyze these violations and, on the basis of the agreement between the United Nations and NATO, suggest a military punishment for the side that pushes us back, objectively and unlawfully—unlawfully in the wake of the signed agreement—into the continuation of war and unnecessary further suffering.

Convinced that NATO does not want to be proclaimed part of the Croat-Muslim armed forces, even though it is the Serbian side that has so far exclusively been bombed, I once again called on Gen. Smith seriously to examine this proposal by the state and military leadership of the Serb Republic, which is just and very important for peace.

As you know, the military-political situation was a sort of a compromise. Forces outside the assembly, the so-called patriotic forces, the Patriotic Front, claim that the changes that took place in the main staff [the sacking of four generals and a colonel of the Bosnian Serb military] and all kind of political changes—the prime minister has resigned—are cosmetic changes and that they fail to meet much more serious demands. It seems to me now that no greater changes are needed. Great pressure was exerted by deputies who demanded responsibility to be borne for so many lost regions. However, we shall see if these accusations have been sent to the right addresses, but there is no doubt that somebody must bear the responsibility for losing such a great part of territory.

I think that it is most important to see that responsibility does not lie with the top leadership. Nobody can doubt Gen. Mladic and his capability, patriotism, and military efficiency to date, but what is involved is examining responsibility at a lower command level, because it was at the lower command level that things happened that perhaps did not resemble treason, but, to put it a little more mildly, probably had the character of noncombative conduct, a withdrawal before the enemy. On the other hand, I have to add here, and you saw it for yourself, that this enemy is launching the fourth blitzkrieg in a row, according to the well-known military doctrine from West Point. It was the strike at the second echelon, and that strike at the second echelon in our case was unfortunately a strike against civilians, which was what crushed our lines that have now been consolidated and have been turning back. I think that at this moment any major political clashes, although these changes are cosmetic ones, and I think that it is good that they are cosmetic. [sentence as heard] We shall have time to settle accounts [obracunati se] or examine responsibility for the loss of this territory later, but if we decided for more drastic measures now, it will only damage us.

Certain refreshment, certain replacements were carried out within the main headquarters. I do not know, but we shall see how the main headquarters reacts to that, but considering the fighters' morale and the present moment, I think that the most important thing is that the main commander remains at his post and I think that he will manage to—along with the proposed changes, that is, the assembly's conclusions—to organize the main headquarters and the corps' commanders, that is, the links between commanders of the corps and of the lower command posts in this very difficult situation. On the other hand, as I said at the beginning, we expect a very urgent reaction on the part of the international community, the United Nations, if they want the peace process to continue.

HSS Decides To 'Freeze' Komsic's Role in Party

AU1910193795 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 19 Oct 95

[FBIS Translated Text] The Main Committee of the Croatian Peasants' Party [HSS] of Bosnia-Herzegovina held a session today. A proposal to freeze all the functions of Ivo Komsic [party leader and member of the Bosnia-Herzegovina Presidency] in the party was accepted.

Stanko Sliskovic, hitherto deputy chairman of the party, was appointed acting HSS chairman until the annual assembly of the party is held.

Croats Protests Mostar Deployment of RRF

LD1910150395 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 19 Oct 95

[FBIS Translated Text] Kresimir Zubak, president of the presidential council of the Croat Republic of Herzeg-Bosnia and president of the Bosnia-Herzegovina Federation, has sent a letter to EU administrator in Mostar Hans Koschnick in connection with the accommodation of Rapid Reaction Forces [RRF] in the area of the Mostar hydrolectric power station. Here is a report by Ivan Kristic:

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[Kristic] The RRF accommodation in buildings of the Mostar hydroelectric power station has led to a series of disagreements and almost to incidents, says a letter from President Zubak to Koschnick.

The arrival of these forces in Mostar is in contravention of the agreement on Mostar, because this is a demilitarized zone, and in the area of the Jablanica and Konjic municipalities there are facilities and sites for the accommodation of these forces during the winter.

President Zubak also points out that the authorities of the Bosnia-Herzegovina Federation have supported the arrival and accommodation of the RRF in the area of the Bosnia-Herzegovina Federation, but the one-sided activities that are leading to incidents are unacceptable, especially as the local authorities should grant permission for the accommodation of these forces at agreed locations and in agreed buildings, which in this instance, President Zubak stresses, has not been respected.

The EU Council of Ministers has allegedly approved the accommodation of the RRF in the Mostar area, but President Zubak, in his letter to Koschnick, points out that he has not yet received the text of the enactment on this.

Kordic Claims Bosniaks Looting, Seizing Homes

AU1910160895 Split SLOBODNA DALMACIJA in Serbo-Croatian 14 Oct 95 p 43

[Interview with Dario Kordic, chairman of the Croatian Democratic Community, HDZ, of Bosnia-Herzegovina, by Milan Vego; place and date not given: "'Bugojno Project' Offends the Croats!"]

[FBIS Translated Text] [Vego] How did the signing of the so-called Bugojno project come about?

[Kordic] There is a clear answer to that question. Namely, with the liberation of Donji Vakuf, the conditions for the return of some 10,000 Bosniaks to liberated Donji Vakuf have been created. So, the conditions to return several hundred Croatian houses to their Croatian owners have also been created. Although there had been interests to return several hundred Croatian families to Bugojno, Dzevad Mlaco [not further specified] and his followers rendered that impossible. Therefore, the Croats interested in returning have spent all their time at the parish priest's office. After that, Slobodan Lang arrived in Bugojno hoping to reach an agreement that the Croats could return to their homes.

[Vego] How do you comment on the agreement that has been signed?

[Kordic] This agreement has been used by Mlaco and his supporters for unprecedented media propaganda, as some kind of a good deed that nobody has even tried to implement. Namely, although with the so-called Bugojno project the Bugojno authorities have been obliged to take all measures to protect private property and to prevent and punish the devastation, looting, and the unauthorized and forceful occupying of property, until there are further resolutions by the federal authorities, the systematic plundering of Croatian houses is continuing and an even worse situation has been created than before. So, that was a hypocritical move, by which they have tried to mislead the public in an unprecedented way and capitalize on the solution of the global problems concerning the return of displaced people.

[Vego] Have they opened an office to mediate on the return of displaced people, as was envisaged in the program?

[Kordic] No, it has not been opened. It is obvious that it will take a long time and a lot of work until the spirit of the Federation reaches Bugojno. Our positions are perfectly clear and have been known for a long time. We want a global solution on the principle "all for all." Of course, we also want the founding of new municipalities in which Croats or Bosniaks are the majority. We want people to come freely to their homes.

[Vego] Has the "Bugojno project" been used by many other Muslim leaders?

[Kordic] Yes. For instance, immediately after the signing of the agreement, the mayor of the eastern part of Mostar, Mr. Safet Orucevic, sent a letter, referring to "the good and exceptional intentions of Dzevad Mlaco," at the same time accusing the Croats for the umpteenth time of violating the agreement. In that letter, he asks for the "Bugojno project" to be applied, for instance, in Stolac, Capljina, Mostar, and Konjic. We do not need such charity. It is a plain deception of the public. We will ourselves take what belongs to us. The Croats have always lived in Bugojno and they will live there in the future. And everybody had better realize that!

UN Wants 'Far Better' Access for Monitors

AU1910134095 Paris AFP in English 1257 GMT 19 Oct 95

[FBIS Transcribed Text] Sarajevo, Oct 19 (AFP)—The United Nations has given the Bosnian Government 24 hours to provide "far better level of feedom of movement" to UN observers but the only threat following this deadline is to face condemnation from UN officials, UN military spokesman Chris Vernon said here Thursday.

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If within 24 hours the UN officials do not have freedom of movement, the United Nations "will begin to condemn" the Bosnian government and military authorities for not allowing monitoring of confrontation lines, Vernon said.

Vernon said UN monitors had a "very limited" access to the Bosnian-controlled areas in the northwest of the country.

According to the agreement on the cease-fire that came into effect October 12, the United Nations is tasked to monitor the observance of the agreement by the two sides.

Six UN monitors reached the Bosnian Serb-controlled part of the northwestern front last week in Banja Luka.

Agency Reports Thousands Displaced in Banja Luka

AU1910202595 Paris AFP in English 1735 GMT 19 Oct 95

[FBIS Transcribed Text] Banja Luka, Bosnia-Herzegovina, Oct 19 (AFP)—More than 120,000 Serb refugees have arrived over the past ten days in Banja Luka in northern Bosnia, a humanitarian aid organisation said Thursday [19 October].

Medecins sans Frontieres (MSF) gave details of the new arrivals after receiving data from the United Nations High Commissioner for Refugees.

MSF spokeswoman Francoise Wallemacq said the influx of refugees brings to 285,000 the total number of Serbs who have fled offensives launched last August by the Croatian army and Bosnian Government troops in western and northwestern Bosnia.

Banja Luka is the largest Serb-held city in northern Bosnia.

Wallemacq added that around 70 percent of the refugees had found shelter in private homes but some 50,000 were still in reception centres and an unknown number on the roads.

Corinne Adam, a spokeswoman for the International Committee of the Red Cross, added there was a humanitarian emergency in Banja Luka.

Since the middle of September the ICRC has delivered more than 1,300 [metric] tonnes of aid including food, blankets and sanitation equipment to Banja Luka, it said.

Official Announces Discovery of More Mass Graves

AU1910165595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 19 Oct 95

[Report by Velida Kulenovic from Kljuc]

[FBIS Translated Text] [Kulenovic] Time will tell how many innocent Bosniak Muslims and Croats were brutally killed in this Krajina municipality. In the village of Sanica alone, where 10,000 people used to live—about a quarter of the overall population of the Kljuc Municipality—many individual and mass murders took place. But where are the victims buried? We ask Dzemal Botonjic, member of the Kljuc War Presidency, about this.

[Begin Botonjic recording] There have been indications before that the murdered people, registered as missing persons, were buried around the village of Krasulje, or more specifically at the location known as Crvena Zemlja. They were buried in a mass grave. Of course, during the occupation it was impossible for anyone to get to that area to investigate the reports. However, now that the municipality has been liberated, the mass grave has been found at that very location.

According to witness reports of the local population, there are indications that another mass grave could be found at a location known as Laniste, at the saddle of Mt. Grmec, between Kljuc and Bosanski Petrovac. Nor have we discounted the possibility that other mass graves could be found in the village of Biljani, where the worst crimes were committed. Experts are already on the territory of the Kljuc Municipality and will probably help identify mass graves that have hitherto been only a matter of speculation, such as the one in the vicinity of the school in the village of Biljani, where the people of these two villages were seized en masse and some were immediately executed, as witnesses testify. [end recording]

[Kulenovic] After committing these crimes, the chetniks would take the bodies away in unknown directions. From the village of Biljani, some 300 men were taken away and their fate is unknown to this day. About 200 men from the villages of Velagici, (?Turin Han), and others, were held in 1992 in the primary school building in Velagici and their fate is also unknown. The school building was demolished after the chetniks finished using it for torture. The crimes have now been revealed and the criminals will, one hopes, face justice one day.

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Government Official Views Hague Tribunal Practice

AU2010114795 Sarajevo OSLOBODJENJE (Bosnian) in Serbo-Croatian 9 Oct 95 p 5

[Interview with Vasvija Vidovic, representative of the Republic/Federation of Bosnia-Herzegovina at the Hague Tribunal, by Sefko Hodzic; place and date not given: "Criminals Need War"]

[FBIS Translated Text] Our country's representative for relations with the International War Crimes Tribunal in the Hague, Vasvija Vidovic, has visited Bihac. The reason for her arrival in Bihac is, as she says, to link the work of our state bodies and of the representatives of the International War Crimes Tribunal on gathering evidence on war crimes committed in the recently liberated territories of the Una-Sana canton, and the presentation of that evidence at the International Hague Tribunal.

"I am convinced that the military and civilian authorities of this area have comprehensive documents that indicate mass war crimes committed against the civilian population of this region, particularly in the recently liberated area," said Vasvija Vidovic at the beginning of our conversation. "The arrival of the International Tribunal expert team is expected soon, and this team will, assisted by authorized state bodies—Ministry of Internal Affairs, military security service, and judicial bodies—gather evidence of the war crimes.

Legal Investigation of Mass Graves

[Hodzic] It has been announced that the experts from The Hague, assisted by our experts, will be digging up the graves. Meanwhile, there is military activity in the vicinity.

[Vidovic] The digging up of the graves will take place, naturally, when circumstances allow for it. The first team from the International Tribunal that was here was showered by shells when it visited the mass graves, too. However, there are mass graves that are far away from the battlefield. I do not want to mention names of the places. We have good reason to suspect that there are a lot more places with mass graves than has been discovered hitherto.

[Hodzic] What is the reason for assuming that there are a lot more of them than have been discovered?

[Vidovic] It is based upon the testimonies. Because those known mass graves that have been discovered, have been found on the basis of testimonies. The witnesses are the refugees who have seen everything, and survived. There are mass graves, certainly, which have not yet been discovered.

[Hodzic] What was done in the International War Crimes Tribunal when the truth about the existence of the mass graves was discovered?

[Vidovic] The procedure of legal investigation was instituted for the places that were discovered. However, I want to say here that the mass graves are not the only evidence of the war crimes committed. Our state bodies have testimonies on the mass crimes, as well as documents by which those crimes can also be proved. Those documents have been captured in the recently liberated areas. However, in the interests of the investigation, I cannot give you more information on that.

[Hodzic] Can you, for example, quote any of the documents, as an illustration?

[Vidovic] Perhaps the best example to describe the proportions of the crime committed in the area of the municipality of Kljuc, could be the information that this town, before the war, had a population of some 18,000 Bosniaks. Meanwhile, according to the evidence captured from the SDS [Serbian Democratic Party] of the town of Kljuc, after two, three years of chetnik siege, 1,200 Bosniaks remained. On the basis of this evidence, we can conclude that from the beginning of the aggression on our country some 16,000 have been killed in Kljuc, or banished from Kljuc.

[Hodzic] What is the current work of the International Tribunal, regarding the crimes committed in our country's territory ?

[Vidovic] From the viewpoint of the International Tribunal what is most important now is the investigation against the Serb leadership. It is known that charges have been brought against Radovan Karadzic and Ratko Mladic. Investigations have been undertaken for the crimes committed in Srebrenica and Zepa, and earlier in Foca. An Investigation of the systematic rapes committed in the area of Bosnia-Herzegovina has also been undertaken.

[Hodzic] To whom has the request for their extradition been sent?

[Vidovic] To Belgrade. Objectively, they are under the protection of Belgrade. Judge Goldstone knows that and therefore he wants them from Belgrade.

[Hodzic] Do you believe that Belgrade will really extradite them to the Hague Tribunal?

[Vidovic] I believe, sooner or later they will face the court.

[Hodzic] But, how much time could that take?

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[Vidovic] Very soon they will be in big trouble. According to Rule 61 of the document named The Rules of the Procedure and Proving of the International Tribunal, the public presentation of evidence is envisaged. Afterward, the international warrant of arrest for fugitive criminals, Karadzic and Mladic, will be issued, so that as soon as they leave the so-called Serb Republic, they will be arrested.

[Hodzic] When could this international arrest warrant be issued?

[Vidovic] I believe the public presentation of the evidence will occur before the end of this year, and immediately afterward the confirmation of the international arrest warrant.

[Hodzic] But neither the arrest warrant nor the extradition request for Karadzic and Mladic has yielded any results so far. Could the arrest warrant be more efficient?

[Vidovic] It could be. All international mechanisms of criminal prosecution will be involved. So, a country that protects them will subsequently be subject to international sanctions. In this case Serbia, or so-called Yugoslavia.

Not One Bosniak in the Hague

[Hodzic] So, Karadzic will not dare to come to Geneva for negotiations?

[Vidovic] He dares not even now, because the prosecutor has issued an arrest warrant and he has a right to forward this warrant to any country in whose territory Karadzic appears. Both him, and Mladic.

[Hodzic] But, Mladic has gone to Belgrade for medical treatment and nothing happened?

[Vidovic] The chairman of the International War Crimes Tribunal in the Hague was informed about it and he demanded that the authorities in Belgrade extradite him. After that Mladic returned to the so-called Serb Republic. If Belgrade continues to make such maneuvers, the Tribunal will probably ask the Security Council to impose sanctions against Serbia. So, regardless of whether Karadzic appears abroad as a negotiator or not, the Tribunal does not grant amnesty to him. And as far as I know, our side has officially refused to negotiate with the war criminals.

[Hodzic] And what if the peace agreement is signed—and if there is peace?

[Vidovic] Peace does not favor Karadzic and Mladic, and they are against it. Because they know that the Hague awaits them in peace. Therefore a peaceful solution does not suit them at all.

[Hodzic] Does that mean that they could remain free as long as they make war?

[Vidovic] I think so. It can also happen that there are political changes in the territory of our country that is occupied by Karadzic'c Serbs and that they extradite him to the Hague Tribunal.

[Hodzic] Ivica Raic has also been accused. What about his extradition?

[Vidovic] Yes, the charges have also been brought against Ivica Raic for the events at Stupni Dol. Legal proceedings have already been instigated against him in Mostar for other criminal offenses, so his extradition has also been requested.

[Hodzic] So far, only Dusko Tadic occupies the bench in front of the Hague Tribunal. What stage has that process reached now?

[Vidovic] All the procedural objections of his attorneys have been dismissed. And there are six lawyers defending him. That means that the beginning of the trial is expected.

[Hodzic] Are there any documents in the International War Crimes Tribunal that charge any Bosniak with war crimes?

[Vidovic] Investigations are being carried out by the Hague Tribunal of all the war crimes committed in the territory of the Republic of Bosnia-Herzegovina. According to the reports of international organizations and intelligence agencies, 5 percent of the crimes were committed by the Bosniaks. Those crimes, too, have been investigated by the International Tribunal, based upon the information delivered by international organizations and, in certain conditions, by other sides. As yet the International War Crimes Tribunal in the Hague has not brought charges against any Bosniak.

Journalist Views Islam, Religious Relations

AU2010121895 Zagreb GLOBUS in Serbo-Croatian 13 Oct 95 pp 51-52

[Interview with Dzemaludin Latic, editor in chief of LJILJAN, by Branko Madunic; place and date not given: "For Serbs in Bosnia the Only Solution Will Be in Their 'Christianization', Not To Say 'Islamization'"]

[FBIS Translated Excerpt] [Madunic] What is the reason that LJILJAN cannot be sold in Croatia?

[Latic] Only because they proclaimed us to be fundamentalists. We are fundamentalists because we insist on Islam as our spiritual attitude. What would you say if I asked you not to be a Catholic in Croatia? To

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renounce the fundamentals of Catholicism? To "Europeanize" those fundamentals? However, we are a magazine which insists on the Croat-Bosniak alliance, because we are not such fools as to renounce, before the Greater Serbian aggression, those who have realistically helped us most. Am I an Islamic fundamentalist? The Koran forbids me to convert anybody to Islam, to deprive anybody of their own creed. According to that, I am a man who respects his fundamentals, I am a Muslim fundamentalist!

[Madunic] How do you evaluate the announced peace plans for Bosnia-Herzegovina?

[Latic] I am not one of those who make political decisions. I speak as a citizen. I believe that the Republic of Bosnia-Herzegovina wins with the Geneva agreement. Namely, we have to be realistic: Now our defense cannot defeat the Serbian aggressor, Milosevic's force, and the international community does not want that military defeat. With this cease-fire we get a break, and the Republic of Bosnia-Herzegovina remains integral. Our diplomacy will demand that the forces of the Bosnia-Herzegovina Army come to our state borders. But, there are great dangers for Bosnia-Herzegovina in the air. I pray to God that there should be a real alliance between Bosniaks and Croats, that the actual Croatian regime should realize this, that there should be no fears from the Bosniak military factor which, allegedly, can endanger the Croat population in Bosnia.

[Madunic] If you do not reintegrate the occupied territories of Bosnia-Herzegovina, will you call Muslims to jihad?

[Latic] We will call to jihad, but allow me to give you the interpretation of jihad. Jihad is the fight for justice. The word "al jehat" means an attack. When there are tumults in society, then it is justified to talk about jihad, which, etymologically, means to settle the situation. So, it is just to conduct a jihad against criminals and brutes. The Koran says: "Why would you not fight against those who expelled you from your home and your houses?" If criminals and bandits occupied Catholics or even the Orthodox, we are requested to fight. When Muslims are concerned, then jihad is our holy task. That is a liberating movement which has been misused in the West to frighten Christians. They have intimidated the West that we would attack any Christian. That is not true, because the Koran does not allow us that. And we obey that, I do not say all of us, but the majority of the people obey it. [passage omitted]

[Madunic] Recently you stated that the West is conducting a crusade against Bosniak Muslims. In that case, how do you expect NATO, as the military alliance of the West, to help the return of expelled Muslims?

[Latic] What I said was that there are opinions—there are fears—that there is a big world plot against the Muslims. After all, that is the feeling of my people. Many tens of thousands of victims could have been saved in Bosnia. Why were they not saved? The NATO air strikes on Serb positions have changed that feeling, and there is hope that there is still justice in the West. Yet, there is still fear that, maybe, there really is a plot designed to erase us Muslims from the Bosnian soil. You see, Lord Owen and English diplomacy, then Mitterrand.... Moreover, I am sure that the English worked on provoking the conflict between Bosniaks and Croats. After all, the English-French-Russian plan to create Greater Serbia is obvious.

[Madunic] If the West is on a crusade against Bosnian Muslims, then the West is also on a crusade against Bosnian Catholics. Are Croat Catholics not victims in many parts of Bosnia-Herzegovina?

[Latic] I have mentioned the fears of a world plot against the Muslims. Do not tell me that here there have been no voices saying that we were a danger for Europe. Even the German defense minister said that! He said that there really was a danger of Muslim fundamentalism, that he would not allow the creation of a Muslim state in Europe. Meaning, the West accepted the Serb propaganda about the danger for Christian states. True, that was not done by true Christians, but it was done by people who describe themselves as Christians. As for Croats from Bosnia, it is well-known that there is "humane" transferring of those people from Bosnia, in order to move them to other territories. With the tacit agreement of the West, the Catholics are being moved, and the Muslims destroyed, so that some sort of rationalism can be seen in that behavior. Croat Catholics are still not exposed to the Serb aggressor to such an extent. I can see that Croats try to resist being moved to those rocky areas, to Glamoc and Capljina. It is nicer to live in Vitez, in the green area, than it is on the rocks of Herzegovina. Maybe it is not in the interest of the West for the Catholics to remain, but it certainly is in the interest of us Muslims that they remain in Bosnia-Herzegovina.

[Madunic] Do you not see a contradiction in advocating an Islamic state which would at the same time be a civil republic?

[Latic] First of all, there is no such term as 'Islamic state' in the Koran. Our prophet Muhamed worked on organizing the community. Multilateral society is a heritage of Islam. Communists in Bosnia lie about me that I am not tolerant, and say about themselves that they were the ones who taught tolerance in Bosnia. That is nonsense. Communists cannot teach us tolerance. We

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are tolerant thanks to Islam, thanks to Bosnian Franciscans and the urban part of Bosnia-Herzegovina Serbs. But I believe that that is, in the first place, a heritage of Islam. The Koran talks about multilateral society very implicitly. Therefore our political platform is to create a multilateral society. We are also committed to a "multicanonical" Bosnia, which means that Catholics can introduce their own canon, their weddings, their school system. They can use their own religious laws.

[Madunic] Do you advocate the separation of religious communities from the state?

[Latic] I believe that there must be no rigid separation. I am an anti-secularist. I am for a secular state, but not to such a degree which would separate religion, religious teaching, the church, from the social and public life. That is nonsense. French secularists oppose any influence of religion on the social and political life. That is nonsense.

Polytheists

[Madunic] What is your concept of Bosnia?

[Latic] I want the traditional Bosnia. Bosnia in which Jews will live like Jews, the Orthodox like the Orthodox, Catholics like Catholics. And of course, Muslims like Muslims. But we must also have some secular laws on which will all agree, in order to make them a living matter.

[Madunic] Today I heard your lecture on relationships between Christians and Muslims. Among Christians, you also included Karadzic, Mladic, Gvero....

[Latic] No, I included them in with the polytheists! I said that I ask Croat Catholics not to make deals with Serb polytheists. The essence of the second part of my lecture was that the Koran said: Those who are closest to you in friendship are those who say "we are Christians." Christians who follow the teaching of Issa (teaching of Jesus) are our closest allies. But we ask Christians and Jews, as peoples of the Bible, of the Book, to make agreements with us, not with polytheists, because they do not keep their promises, they commit crimes. Karadzic, Mladic, the leadership of the Serbian Orthodox Church are not Christians: I dare say that the Serbian people were not christianized and that that is the greatest tragedy of the Balkans. You see, to them Saint Sava [Serbian historic figure] is more important than Christ. Where do they quote Jesus? They only quote Njegos [Montenegrin epic poet] and Saint Sava! [passage omitted]

[Madunic] How do you imagine the coexistence in the multiconfessional Sarajevo if the sale of pork, alcohol, wearing of miniskirts were to be forbidden? Allegedly the reis-ul-ulema [head of the Muslim religious community] Ceric agitated in that direction?

[Latic] No, my dear sir! I followed that matter closely. The reis did not forbid the sale of pork, but he did ask for its misuse to stop. He asked that pork should be marked as such, so that Muslims would not eat it. That cannot be forbidden to anybody: According to Islamic law, the private lives of people must not be influenced. Nobody must be forbidden to practice their own religion. That stands in our fundamentals, the Koran. In the future Bosnia, as I advocate it, that will not be forbidden to anybody.

Alcohol and Miniskirts

[Madunic] Alcohol and miniskirts will also not be forbidden?

[Latic] Croats will be able to drink alcohol, and Croat women to wear miniskirts. Of course, the members of other peoples as well. However, there will be some laws which will protect public morals. In the West you have the law on prohibition, and Bosnia-Herzegovina will have something similar. Those will be state laws. I personally will invite the religious people to obey those laws.

[Madunic] What will be your relationship towards 'Europeanized' women of Muslim faith?

[Latic] My law does not allow women to expose their bodies. Christianity does not either. After all, your nuns dress themselves decently, and that is an example for all Christian women. But whether your women will wear long or short skirts—that is their own business. But I will ask Muslim women to cover themselves. I will ask that they live properly and modestly in sexual relations. That is good for people.

[Madunic] Some Bosnia-Herzegovina Croats, who support the undivided Bosnia-Herzegovina, warn that among Bosniak Muslims there are some extremists, which is particularly fatal for Croats who live in smaller places under the control of the Bosnia-Herzegovina Army. How do you comment on those criticisms?

[Latic] There is a lot of misery and bitterness. How can I tell someone whose whole family was killed and who was expelled from his home that he should be generously disposed? I do not know who can stop those people. That can be called extremism. Any mention of the Serbian, and in Herzegovina of the Croatian, among Muslims, provokes reactions. We do try to discourage such extremism, but it cannot be completely annihilated. Such attitudes should not influence political conduct. There is no movement, no law, no political extremism or fundamentalism in Bosnia.

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[Madunic] Recently there have been some reports on incidents in Bihac, Petrovac, and Jajce. The foreign press writes more about that than the Croatian....

[Latic] There are no writings about it, because it is a betrayal. The worst happened around Jajce. On Mt. Ostrelj it was really only a matter of misunderstanding. In Jajce the HVO betrayed the agreement and did not enter the town together with the Bosnia-Herzegovina Army. Jajce is a Bosnian town, in which both Croats and Muslims live. Mr. Hubak [not further identified] promised us that Bosniaks will also be able to return to Jajce, and we are working on the return of Croats to Bugojno, and of Bosniaks to Stolac and Capljina. I hope that we will remain allies, because that is in the interest of both Croatia and Bosnia. I believe that Croats and the West are aware of how important that alliance is, how important the Bosniak-Croat federation is and the integrity of Bosnia-Herzegovina, which is the only guarantee that Serbia will not cross the Drina River.

Board Threatens To Cut Off Electricity

AU1910182395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 19 Oct 95

[FBIS Translated Excerpt] The Electricity Board has given a warning to citizens who are behind on their payments.

As warnings that electricity bills should be regularly paid has not produced the desired result, the Bosnia-Herzegovina Electricity Board is being forced to undertake the most drastic measures to charge for its services—to switch the electricity off.

Over the last few days, the Sarajevo Electricity Distribution Company has issued injunctions for the disconnection of 5,800 households and about 1,200 consumers that charge for their services in foreign currency [companies that sell goods and services are billed for electricity in foreign currency]. As for the households, these are mostly cases where the payment of unpaid bills from last year is outstanding, since these consumers decided to use electricity for heating. [passage omitted]

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Tudjman Meets Russian Deputy Foreign Minister

LD1910131995 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 19 Oct 95

[FBIS Translated Excerpt] Dr. Franjo Tudjman, president of the Republic of Croatia, held separate talks this morning with U.S. mediator Richard Holbrooke [and U.S. assistant secretary of state], and Ivor Ivanov, Russian first deputy foreign minister. Here is a report by Tihomir Vinkovic:

[Vinkovic] [passage omitted] After his talks with Holbrooke, President Tudjman had a meeting with First Deputy Foreign Minister Igor Ivanov. Following the meeting, Ivanov stated that the talks focused on the imminent peace conference and Eastern Slavonia. We are prepared to resolve the problem of Eastern Slavonia in the framework of the peace process and by peaceful means, Ivanov said.

He repeated the need to respect the cease-fire in Bosnia-Herzegovina, and President Tudjman agreed with him on this.

Ivanov maintained that the participation of Russian forces in Bosnia-Herzegovina would be under the same conditions as for forces from other countries. This was being discussed in Brussels with NATO as well as in bilateral talks with other countries. We will continue these talks in the hope of finding acceptable solutions, Ivanov concluded.

Tudjman Addresses HDZ Convention 14 Oct

LD1910190795 Zagreb Radio Croatia Network in Serbo-Croatian 1425 GMT 14 Oct 95

[Report on the Third General Convention of the Croatian Democratic Union (HDZ), held in Zagreb on 14 October, by reporters Jasenka Dudic and Sanja Rabuzin-Pavic; including recorded highlights of speeches by Croatian President Franjo Tudjman and other delegates; passages in quotation marks are recorded]

[FBIS Translated Excerpt] [Dudic] The third Croatian Democratic Union [HDZ] general convention began with the national and party anthems and a minute's silence. Opening the convention, Dr. Franjo Tudjman, president of the Republic and of the HDZ, said:

[Tudjman] "I am sure that I express the wishes of all participants when I SAY that the purpose, task, and aim of holding this Third General Convention of the HDZ should be first, to confirm and consolidate the supreme program policies of the HDZ as the focus for the pan-Croatian and pan-national party in the establishment and development of an independent and autonomous, sovereign, and democratic Croatian state; second, to evaluate the results achieved and determine the tasks for the coming period; and third, and most important, to proclaim at this convention the strength and maturity of the political program with which the HDZ is entering the third parliamentary election for the Croatian State Assembly in order to secure an even more convincing victory than at the previous two elections in the interests of the Croatian people and state."

[Dudic] After the election of the working presidium, the agenda and standing orders were approved and working bodies elected, and the convention chairman, Nikica Valentic, welcomed the numerous foreign ambassadors to Croatia present and the representatives of friendly parties abroad and then greeted the participants of the third general convention of the HDZ. HDZ General Secretary Zlatko Canjuga then presented a report on the state of the party, its organizational and political activity since the second general convention, and on the future tasks of the HDZ. [passage omitted]

At the third HDZ general convention, Dr. Franjo Tudjman, party president and president of the Republic of Croatia, spoke about the role and tasks of the HDZ today. At this convention, President Tudjman said, we are looking at how the HDZ, which was given the confidence of the people, has fulfilled its historical task.

[Tudjman] "In this connection, I believe that it is clear to every well-intentioned Croat that the HDZ has fulfilled its task, to the admiration of the Croatian people and to the amazement of the world, more than successfully. We could say that the future of the Croatian state has been, not exclusively, but to a large extent, dependent on the strength and fate of the HDZ, and vice versa."

[Dudic] We have conducted our policies on the basis of our own judgment, relying on the maturity and solidarity of the HDZ and the support of the Croatian people, President Tudjman said, and recalled that the international atmosphere was not favorable to Croatia because the international community had other plans.

[Tudjman] "In such circumstances, the HDZ has demonstrated maturity and steadfastness, and this maturity and steadfastness of the HDZ has made it possible for the whole Croatian nation to stay on course in the preservation and development of its own state."

[Dudic] Recalling the unsuccessful attempts at creating parliamentary and constitutional crises and splits within the HDZ, Dr. Tudjman stressed:

[Tudjman] "The HDZ, with the support of the people, was able not only to overcome all this but, as I said, has increased its membership and has strengthened its reputation both at home and abroad. Thanks to its program orientation which the majority of the nation has endorsed, thanks also to the consistency, wisdom, and

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efficiency of state policies, all the hopes and attempts at breaking up the HDZ, at insalling in power in Croatia the kind of forces which would have been used by international factors and domestic troublemakers to turn Croatian policies in another direction, have all come to nothing."

[Dudic] Since the second HDZ general convention, President Tudjman stressed, the democratic system has been consolidated. A defense force which has surprised and amazed the world has been created, a force with which we were able to launch Operations Flash and Storm.

[Tudjman] "Our policy, in diplomatic, political, and military circles, has met with astonishment and also admiration, and they have still not really found the answer to how we were able to achieve this. However, the real answer lies in the strength of the HDZ majority party on which both I and the government have been able to rely in parliament in adopting decisions, and which has enjoyed the confidence of the Croatian people. Of course, all that we have achieved was not only the work of the membership of the HDZ, but also of the majority of the Croatian people, but without the HDZ as the majority party, without the policy we have conducted, this would not have happened."

[Dudic] Speaking about Croatia's international position, President Tudjman stressed:

[Tudjman] "The international position of Croatia is strong and stable. Croatia has both friends and allies, but as we know, in international relations friendship and partnership are only possible on the basis of the strength which a state represents, and we have won them through the solidity of our democratic system and our developed military strength which was built up by that same Croatia which was exposed empty-handed to aggression, so that they now have to see that Croatia is the most important force in the region of the former Yugoslavia and all international factors have to take this into consideration. [applause]"

[Dudic] However, President Tudjman warned, there are still ideas abroad about some new kind of association in this region.

[Tudjman] "This is one of the important reasons why we need such an HDZ as we have had and still have today, [applause] and that is why we need a major victory of the HDZ in the present election so that the fate of Croatia remains in sure hands in the future, so that it cannot be drawn into the kind of abyss from which we were barely able to extricate ourselves in the current historical period."

[Dudic] The HDZ, the pan-national and pan-Croatian party, is in favor of multiparty democracy and parties which stand for the struggle for the well-being of the Croatian citizen and Croatian state.

[Tudjman] "Let there be both a left and a right of the HDZ, as the party of the center, let there be those both on the Croatian right and on the Croatian left, let there be a Social-Democratic Party of Croatia to represent those strata which support socialist ideas and which will forge ties with socialists in Europe. But a political life in which we have a list at the Ministry of Administration of 57 or 58 parties and associations, or an assembly in which we have a dozen or so parties and a motley crowd—such a political life where one party merges into another, where it is no longer possible to know who belongs where, is not a basis for a healthy multiparty parliamentary democracy."

[Dudic] In the transition from a socialist system to private enterprise, Croatia has achieved more than other states which have not had to defend themselves from aggression, President Tudjman noted, speaking at the third HDZ general convention.

[Tudjman] "Surely, I do not need to remind you that we have overcome all that we have overcome—the breakdown of the Yugoslav and socialist order, and aggression and war—and that throughout this not a single Croatian citizen went hungry for a single day. And we even had problems with surpluses of wheat. There were no tokens or coupons for gasoline as there were earlier during the time of [former SFRY Prime Minister Ante] Markovic's reformist democratic attempts to hold together Yugoslavia with the help of the Western world. People forget that, despite all these misfortunes of aggression and war, we have maintained a relatively good standard of living at a level no worse than in many other socialist countries. And as for claims that the HDZ benefited from the privatization process, details were given in the assembly that members of the HDZ participated in the entire privatization process to a total of 7 percent."

[Dudic] That is the best answer to political wise guys who try to take advantage of the situation, President Tudjman said, and also replied to accusations from opposition ranks that HDZ policies are nationalistic.

[Tudjman] "If I had, and I have had, great need and difficulty in explaining Croatian policy because an independent Croatia was not wanted, then it was precisely in proving that the HDZ does not in any way conduct a narrow nationalistic policy, but rather a democratic policy which should and has been created by the Croatian people and also guarantees all civil and ethnic rights to all members of national minorities,

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including Serbs in Croatia, to all those who recognize Croatia as their homeland. For this reason, I would ask you to continue to urge those members of the HDZ whose nearest and dearest were slaughtered by the Serb aggressor in their homes, who were driven from their villages, towns, and homes, who suffered the greatest evils, to refrain from all revanchist acts because it is precisely this which is interpreted as the implementation by the HDZ of a nationalistic policy which does not permit Serbs to remain—although we have called on them to remain and still call on them to do so.

"From this platform, I call not only on the membership of the HDZ, but also on the entire Croatian people to behave in a manner worthy of Croatian traditions and not to permit those elements which exist, criminal elements such as exist throughout the world, in any nation and in all towns—and in Croatia we live far more peacefully than in many world cities, which is recognized—not to permit criminal elements and provocateurs who want to compromise Croatian policy and who do not want an independent, autonomous Croatian state and who would like to bring it down in some way—including the use of arguments that the Croatian authorities violate human rights, ethnic rights, and so on."

[Dudic] In the forthcoming election, Dr. Tudjman said, the HDZ will achieve a convincing victory and majority.

[Tudjman] "That will above all enable us to achieve greater harmony between the assembly and the government, and will permit the new government to be a professional, operational, effective executive authority composed of capable, dedicated, and principled people, who bear full responsibility for their actions before the president of the Republic, before parliament, and before the leadership of the majority party whom the people entrust with the composition of government".

[Dudic] The first task, stressed Dr. Franjo Tudjman, president of the Republic of Croatia and of the HDZ, is the liberation of the part of Croatian territory which is still under occupation.

[Tudjman] "There is still 4.57 percent of the mainland territory under occupation, that is, 2.84 percent of the total territory under Croatian sovereignty. But this includes parts of western Srijem and Ilok, eastern Slavonia, and Vukovar, that symbol of Croatian resistance, Croatian heroism, Croatian suffering, and also the wealth of Baranja. There never has been, nor will there be any talk or even thought of abandoning this at any price. [applause]

"We will do everything to restore these areas to the constitutional and legal system of Croatia in a peaceful way, above all because we do not want fresh casualties, because every drop of Croatian blood and every Croatian life is precious, and because it is difficult to be in a situation in which we have injured and disabled in our ranks. Since we want the fewest possible casualties, we want to resolve this in a peaceful way, but if we cannot do this then we will use all means to which a sovereign state has the right."

[Dudic] Both in Croatia and in Bosnia-Herzegovina, the HDZ must be consistently committed to the implementation of the Washington agreements, President Tudjman said.

[Tudjman] "But in this context it is precisely the HDZ which represented the Croatian people in Bosnia-Herzegovina to an even higher degree than in the homeland of Croatia. In this context, the entire Croatian public, both in the homeland and abroad, must be clearly aware that, when we signed the Washington agreements, we said that as long as the federation is not gradually materialized, the political and military bodies of the Croat Republic of Herzeg-Bosna have to exist. They were created in the course of resistance to Serbian aggression."

[Dudic] One of the important tasks is to erase some remaining deposits from the old system in the state administration, Franjo Tudjman stressed, and went on to say:

[Tudjman] "The next task we face is to provide incentives for an economic revival on the basis of free market, private enterprise, developing the farmer's economy, and then we have to stimulate major investment projects in the communications and other infrastructure by harnessing all our resources, as well as by taking on loans and granting concessions in order to facilitate faster development, new jobs, and also to raise the standard of living."

[Dudic] President Tudjman also said that the recently liberated ares of Croatia are still deserted, and that it is an important task to provide for the return of Croatian people from abroad, the Croatian diaspora that helped in creating and defending the Croatian state.

[Tudjman] "This must be a task for those state bodies, of the county and municipal administration, as well as of all of you individually, all our people who have any kind of relations with those living abroad. Call them back, make an effort to return them and remove all those obstacles they are coming across in our democracy."

[Dudic] The HDZ will advocate a rise in the living standards of all Croatian citizens, particularly pensioners, 65 percent of whom, according to opinion polls, support the HDZ.

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[Tudjman] "The more we can relieve the state budget of other state requirements, primarily the Army, the more sensible our businesses and work will be. We will be able to reduce administration and raise the standard of living of all strata to the same degree. As I said, most of all we have to take account of our pensioners."

[Dudic] Even after we have liberated the last bit of Croatian occupied territories, we will still have to pay due attention to the building of the Croatian Army, President Tudjman said.

[Tudjman] "For, without such a force, we would not have had the Storm and the Flash, we would not have won recognition, and we could again be under threat tomorrow. But rest assured that in this sense we are going to be extremely sensible and level-headed; we will raise demands for low spending and rationality in this area, too. Croatia's society, the future Croatian assembly and government will have to pay a great deal of attenton to this issue too."

[Dudic] In his address to the third HDZ general convention, punctuated by rounds of rapturous applause, Franjo Tudjman, president of the Republic of Croatia and of the HDZ, said in conclusion that within the general national revival we are also tasked with a spiritual revival.

[Tudjman] "So Croatian people can live in their freedom and their democracy but they should know that this freedom and this democracy can be only guaranteed in a state of their own. At the same time, they should be prepared for coexistence in Croatia with all those, all those minorities, ranging from the Serb to the Italian minorities, those that have created problems, to those such as the Czech, Slovak, and Russian minorities, who have created no problems for us and have suffered together under the Serb aggression. But we should also be prepared for friendly relations and cooperation with all those nations and countries in the world, while bearing in mind that only as a sovereign people can we be sovereign and free, can we be respected and realize such cooperation for the welfare of Croatian people, of the Croatian nation, and of the Croatian state.

"In order to continue all of this, to be able to continue the historic task that took shape in this historic period of the Croatian people, the Croatian people and the sovereign Croatian state need a strong, sound, and mature HDZ. Hence, let us head for new electoral victories for the benefit and good of our only Croatia. [applause]"

[Dudic] The first participant in the discussion, HDZ Deputy Chairman Nikica Valentic, spoke about the period of more than two years when monthly inflation ran at over 35 percent. [passage omitted]

The HDZ convention was briefed about the implementation of Croatian foreign policy by party Deputy Chairman Mate Granic. We are on the threshold of completing the reintegration of Croatian occupied areas, he said, adding:

[Granic] "A strong democratic Croatia is the best guarantee that—through negotiations which we sincerely want and which are wisely being conducted by Mr. Hrvoje Sarinic under the auspices of the president of the Republic—we will reintegrate eastern Slavonia, Baranja, and western Srijem in the constitutional and legal system of our homeland before the end of this year and restore full security of the Dubrovnik area [long applause]. If that proves impossible, we shall then have to use other means at the disposal of a sovereign state."

[Dudic] HDZ Deputy Chairman Gojko Susak spoke about the creation of the Croatian Army. Flash and Storm, he said, have written one of the most brilliant pages in our history. Asked by some whether Croatia was aided by the Americans in Operation Storm, he replied:

[Susak] "Gentlemen, I am saying here publicly and with due responsibility for the sake of truth and historical facts, but also because of our future: Nobody assisted us, nor have we ever asked for anyone's assistance [applause]. A reply to the enigma called Flash and Storm cannot be understood by many who are reluctant to understand it, because it is very simple: that is a victory for the Croatian man, soldier, junior officer, senior officer, for the Croatian national pride and mentality. But it also reflects the wisdom and decisiveness of the Croatian state leadership."

[Dudic] For the first time in their history, Croatian people have their own police, party Deputy Chairman Ivan Jarnjak said. [passage omitted]

The third HDZ general convention is continuing its work this afternoon.

Zagreb TV Reports HDZ Election Rallies

LD1910230095

[FBIS Editorial Report] Zagreb HTV Television in Serbo-Croatian at 2130 GMT on 19 October carries a 26-minute "Croatian Democratic Community, HDZ-sponsored program" which reports that this evening the HDZ held electoral meetings in Koprivnica, Bijelovar, and Virovitica. A video report from Koprivnica contains several local HDZ members addressing the rally, followed by a three-minute recording of excerpts from Croatian President Franjo Tudjman's address in which he mentions the glorious homeland war in 1991 to which

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Virovitica people made an enormous contribution. Tudjman then calls on the people to vote for HDZ.

A video report from Bijelovar follows, with prominent HDZ members from the Bijelovar area addressing the rally. This is followed by a one-minute recording from Tudjman's address to the rally. He again speaks about the struggle for Croatia's independence in 1991 and its successes in fighting Krajina Serbs. Tudjman concludes by calling on the people of Bijelovar to vote for the HDZ.

A video report from Virovitica follows in which HDZ parliamentary candidates from the Virovitica area address a rally, followed by four minutes of recorded excerpts from Tudjman's remarks. Tudjman first speaks about Greater Serbian imperialistic dreams to conquer Croatia up to Virovitica. He continues:

"Dear Croatian brothers and sisters: It is certain that we will liberate occupied parts of western Srijem, eastern Slavonia with Vukovar—the symbol of Croatian resistance and Croatian suffering—and our rich Baranja. We do accept the suggestion by the United States and the international community to do it in a peaceful way—primarily in order to avoid fresh casualties. Every drop of Croatian blood, every Croatian life, is more precious to me than anything else in the world. But if we cannot achieve this in a peaceful way with assistance from the international community, then it is clear that we will resort to doing it in a Stormy way, as we have done in other areas."

He goes on to speak about the need for Croatian expatriots to return to Croatia. Tudjman concludes his address by calling on the people to vote for HDZ.

HDZ Ahead in Countrywide Poll

AU1810133695 Zagreb HRVATSKI OBZOR in Serbo-Croatian 16 Oct 95 p 7

[Unattributed report: "HDZ's Convincing Lead"]

[FBIS Translated Text] By the look of the telephone poll of 450 respondents from all counties in Croatia that was conducted on behalf of HRVATSKI OBZOR on 9 and 10 October, a very high percent of the electorate will take part in the forthcoming election. As many as 90.2 percent of the respondents said that they would vote in the election, 4.5 percent still did not know, and 5.3 percent said they would not take part in the election.

Despite the fact that the majority of the respondents were sure that they would take part in the election, about a half of them (46.3 percent) still did not know which party they would vote for; 32.9 percent of the respondents said they would vote for the HDZ [Croatian Democratic Community]; 9.9 percent for the HSLS [Croatian Social Liberal Party]; 4.2 percent for the Coalition [HSS, Croatian Peasants Party; IDS, Istrian Democratic Congress; HNS, Croatian National Party; the Croatian Christian Democratic Union, and the Croatian Party for Slavonia and Baranja]; 2.6 percent for the HSS, and so forth (we did not ask those who said they would not take part in the election which party they would vote for, and therefore, the question on the participation in the election was answered by 426 respondents).

We asked all of the respondents what they considered more important in the election of candidates: their party affiliation or their past work. Only 3.8 percent of the respondents said that the party affiliation mattered more; 78.9 percent said that the candidates' work was more important regardless of their party affiliation.

Of those polled, 39.8 percent expressed a positive opinion about political coalitions.

Will you take part in the coming election?

	Percent
Yes	90.2
No	5.3
Do not know	4.5

For which party or coalition will you vote in the coming election?

	Percent
HDZ	32.9
HSLS	9.9
Coalition	4.2
HSS	2.6
SDP [Social Democratic Party]	1.4
HSP [Croatian Party of Rights]	1.2
HND [Croatian Independent Democrats]	0.5
HNS	0.5
IDS	0.5
Do not know	46.3

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Which do you consider more important in the election of a candidate?	
	Percent
Party affiliation	3.8
Past work, regardless of party affiliation	78.9
Both	15.8
Do not know	1.5

What is your opinion of party coalitions?	
	Percent
Positive	39.8
Neither positive nor negative	41.8
Negative	13.3
Do not know	5.1

Police Ban Istrian Democratic Alliance Rally

LD1910211295 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 19 Oct 95

[FBIS Translated Excerpt] Members of the Labin town committee of the Croatian Democratic Union [HDZ] have held a news conference in connection with a ban imposed on an election rally which should have been held by the Istrian Democratic Alliance [IDS] in Labin this evening.

The Labin HDZ committee shares the view of the Istrian police administration which explained the ban by saying that the HDZ was first to register the holding of the rally in Labin this evening in accordance with the law on public gatherings of citizens. They said they had registered 48 hours before the IDS, and are not going to politicize this—as they described it—orchestrated event, as is being done by the IDS. [passage omitted]

Car Bomb Causes Injuries in Central Rijeka

LD2010122695 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 20 Oct 95

[FBIS Translated Text] A car bomb exploded in front of the first [as heard] police station in central Rijeka at 1122 [1022 GMT]. According to unofficial reports, some people have been injured, but we are waiting for an offical report.

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Gligorov Discharged From Hospital 18 Oct

AU1910215195 Skopje MIC in English 19 Oct 95

[FBIS Transcribed Text] The President of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] Kiro Gligorov was sent home last night [18 October], MAKPRESS reports from medical sources.

According to the latest health bulletins of the medical team, the President's health has been good the last couple of days, however, he will stay under constant medical supervision. The assassination attempt on President Gligorov took place on October 3, in Skopje.

The initial medical examinations determined that he was heavily injured in the attack. All the operations, including the operation on the right eye, have been successful.

OSCE Talks With Albanian Political Leaders

AU2010093695 Tirana TVSH Television Network in Albanian 1735 GMT 19 Oct 95

[FBIS Translated Text] At the request of OSCE [Organization for Security and Cooperation in Europe] officials, Messrs. Ahrens, (Cutignon), and (Abajanin) held a meeting in Skopje today with Mr. Arben Xhaferi of the Party for Democratic Prosperity of Albanians and with Mr. Alydin Demiri and Mr. Bedredin Ibrahimi of the People's Democratic Party.

Ambassador Ahrens confirmed that the talks within the framework of the conference on the former Yugoslavia will continue, thus refuting the Macedonian Government's assertions that the talks were suspended.

The representatives of the Albanian political parties briefed the OSCE representatives on the current political and security situation in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and in the region. They requested that future talks yield concrete results and consider the just demands of Albanians in conformity with the rights stipulated in international conventions.

During the meeting, the Albanian representatives pointed out that there cannot be a stable Macedonia without a solution to the issue of Albanians living there. They also stressed the need for a solution based on principles, as well as amendments to the Macedonian Constitution, and mentioned other current problems in this former Yugoslav republic.

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Oleksy: No Plan To Propose New Security Concept

LD1910193595 Warsaw Polskie Radio First Program Network in Polish 1500 GMT 19 Oct 95

[FBIS Translated Excerpt] Prime Minister Jozef Oleksy has denied that he is to put forward a new security concept for the Central and East European countries, with the participation of Russia, during his speech in New York to mark the UN's 50th anniversary, as the press has suggested.

The head of government gave the assurance that there is no such concept, and the points in his speech, which will be made at the UN's jubilee session, emerged from the foreign policy principles adopted by the government and affirmed by the Sejm.

[Begin Oleksy recording] Poland has chosen its direction and has placed its sense of strategic security in NATO, and that is a prejudged direction. We will wait and do everything we ought in order to be prepared for that. So, from Poland's point of view, strategic security issues and Poland's participation in this system are defined, but without Russia's participation there is no definitive security system. [end recording] [passage omitted]

Meets With Walesa

LD1910224095 Warsaw PAP in Polish 2124 GMT 19 Oct 95

[FBIS Translated Text] Warsaw, 19 Oct—President Lech Walesa's meeting with Prime Minister Jozef Oleksy lasted almost one and a half hours. The prime minister refused to issue any comment on the meeting to journalists waiting in front of the Presidential Palace.

According to unofficial information obtained by journalists, the main subject of the meeting was the prime minister's brief on his New York address marking the 50th anniversary of the United Nations, as well as the issue of the filling of diplomatic posts by the Ministry of Foreign Affairs.

'Text' of Olszewski Campaign Platform

WS1910131595 Warsaw GAZETA WYBORCZA in Polish 18 Oct 95 p 14

["Text" of Jan Olszewski's Campaign Platform: "A Poland of Equal Opportunities"]

[FBIS Translated Text] Six years have passed since the reconstruction of an independent state and a free economy was launched. For the majority of Poles they brought bitter disappointment and a loss of the hopes they saw in the long years of fighting for freedom. Instead of the higher standard of living they were promised, more than two-thirds of Polish families were reduced to poverty or approached it. Instead of having a legitimate state, we continue to suffer from a lack of personal and social security. Instead of bright prospects for the future, we have mass unemployment and a strong trend among the younger generations to emigrate.

The agreement signed in 1989 between the communist *nomenklatura* and the leftist elites of the so-called democratic opposition and Solidarity set in motion economic and political mechanisms of robbing the state and a majority of the citizens by a small group of swindlers connected with the power apparatus. The key element of this mechanism is a pathological finance and banking system that, instead of supporting the economy, serves as a medium for transferring money collected from the taxpayers via the state budget to the mafias that live off it.

The top priority at the moment is to back out of the so-called Roundtable agreements. The effort of the nation must focus on solving the country's most urgent problems in an honest way. The entire project of necessary changes is included in the citizens' draft of the constitution, of which I am a coauthor. I consider the passing of this constitution as the foundation of future legal order in the Third Republic of Poland to be our top priority.

The program is not a postulate of just one political or ideological option. It is currently the only credible project of constructing a new Poland, supported by Solidarity and the patriotic groups, approved for the values it stands for by the Polish church, signed by nearly 2 million Poles to date. To implement it, the independence-Solidarity camp must win the coming presidential elections and form a constituent assembly that would pass the fundamental legal act for the Third Republic of Poland.

The newly elected president, the national constitutional assembly, and the government they form will face tasks the solving of which will be decisive for Poland's emergence as a land of equal opportunity for all citizens, as a safe and affluent state for all Polish families, as a consolidated national entity in which all social strata will have equal rights to realistically expect improvement. Here are some of the major tasks:

New Economic Policy

The future of Poland on the threshold of the 21st century depends primarily on a strong, modern economy. Poland currently needs a new economic policy that would provide that the skills, talents, entrepreneurship and hard work of the Poles will contribute to general welfare. The aim of this policy would be expanding

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the domestic market, stimulating domestic production, and developing exports.

If these objectives are to be attained, the current banking system must be restructured. The growing malpractices, affairs, and corruption require an intervention of top state authorities. The practice of amending communist banking laws must be abandoned once and for all. New solutions should be modeled after the period between the two world wars, enriched by principles intrinsic in contemporary European legislation.

One important tool of this policy would be amending the tax system, which currently encourages the consumption of luxury goods among privileged groups, in order to stimulate production. Tax abatements should apply primarily to investments. The tax rates must be lowered, especially for the lowest income groups. The entire tax system should be strongly supportive of the family.

The currency exchange policy of the state must be changed. Continual maintaining of an overrated zloty is choking domestic production and protects the interests of *nomenklatura* import companies, which in turn stimulates inflation. These tendencies have to be reversed.

Another important element of the new economic policy should be a state industrial policy aimed at protecting the national production assets, encouraging the development of Polish companies, taking advantage of the skills, experience and patriotism of engineers and scientific researchers. Bank credits must be accessible to Polish entrepreneurs so as to enable the expansion of Polish capital in all of its forms.

It is necessary to wage a fierce battle against economic crime and the plague of corruption within the state apparatus. In fighting the latter, which is a very dangerous phenomenon, new legal and organizational measures have to be employed to exert control, prosecute perpetrators, and execute the law. Universal, clear, and explicit regulations on public bids held by the central administration and the self-governments have to be laid down. As for infringement and violation of the law, we should differentiate between policies for the so-called gray zone made up of small entrepreneurs who are forced to resort to malfeasance because of the absurdity of the effective laws and the harsh tax policies on the one hand and the "black" zone of clearly mafia-style structures on the other. The former has to be corrected by revoking the unrealistic laws, adjusting the tax burdens to the actual capacities of small businesses and craftsmen, declaring a conditional tax amnesty. The latter has to be dealt with harshly. It is also necessary to inspect the national assets that have been lawlessly taken over by private citizens and companies.

Mass Enfranchisement

A truly free, developed economy and a proper structure of a modern society are impossible without a strong middle class. This class must be established in Poland by way of a mass enfranchisement of the citizens. It should be carried out on the basis of a national shareholder's body as provided for in the mass enfranchisement draft submitted to the Sejm of the Polish Republic of the first term by the parliamentary club of the Movement for the Republic.

Enfranchisement will lay the foundations for economic independence for millions of Polish families. The process should be preceded by establishing the institution of the State Treasury and by completing reprivatization as fast as possible on the widest possible scale.

Independent pension funds have to be established on the basis of a portion of the national assets to be privatized so as to compensate for premiums collected from hard-working citizens and wasted by the communist authorities. Senior citizens should receive the compensation they deserve.

Family Farms

The future of Polish agriculture based on the family farm model is a separate problem. Its development should be targeted at guaranteeing a permanent food supply for the nation. This requires developing the principles of a long-term agricultural policy guaranteeing the technological and civilian advancement of the Polish rural areas while minimizing the costs of restructuring. One of the opportunities for Polish agriculture is stimulating demand on the domestic market so as to eliminate malnutrition among huge groups of people, in particular children and adolescents, because it is unthinkable by the standards of contemporary Europe.

The overall advancement of the Polish economy will also enhance the development of the food-processing industry, which is ruled by the same principles as the rest of the national economy. The development of this branch will be particularly important for stimulating economic growth in small cities and solving the problem of unemployment in rural areas.

Another chance for the development of domestic agricultural production in the long term is targeting and developing those branches of the food industry in which we can compete with the EU and with Eastern and Third World markets. The natural conditions in Poland, the climate and the soil, allow an optimistic outlook for the future of our agriculture. It is enough to look at the map of the world to understand how privileged we are.

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Social Policy

Poland also needs a new social policy. It is impossible to perpetuate a socioeconomic situation in which elderly people live in constant fear for their everyday existence and young people see no future in their own country.

The provisions of the new social policy should draw the state's attention to the fight against unemployment. A program for public labor in the field of developing the transportation, communications, and ecosanitary infrastructure of the country is called for. A huge share of funds allocated by the state to eliminating unemployment should be handed over to the local governments, which, as practice has shown, know how to use them more rationally.

Social policy should also guarantee the Polish citizens a proper health-care system. The system of free medical care inherited from the Polish People's Republic has collapsed over the past several years. It is necessary to launch its thorough reconstruction as soon as possible. An adequate law on social security has long since been drafted by Solidarity. To this day it has not been heard on the forum of the Sejm because it undermines the long-established privileges of the health-care *nomenklatura*. We must take up the draft again!

One of the most socially acute symptoms of the economic crisis of the past few years is the collapse of the housing industry. It is necessary to launch a mass program that would enable families with average incomes to acquire their own apartments over four or five years. The program would also be a very important factor of stimulating overall economic growth.

One of the strategic problems from the point of view of Poland's future is a thorough reform of the education system. It should help Polish schools overcome the current crisis and guarantee that the youngest generation of Poles will receive secondary education by the end of the first decade of the next century at the latest. All young people with talent and drive should be allowed to study through a system of public scholarships.

Expenditures from the state budget on education and science should be protected and fixed at a specific percentage, similar to outlays on national defense. The independence of Poland depends just as much on the future civilizational level as it does on the military strength of the state, perhaps even more.

A Secure State

The implementation of these necessary tasks will be possible only if we halt the rapid process of degradation and decay within the state apparatus. This should be attained by reforming the state administration system, reducing the administration cadres and simplifying the administrative structures, establishing a work force of civil servants, delegating more power to the local governments and giving them more financial independence.

The basic precondition for establishing normal state and economic structures is guaranteeing Poland's security on the international arena. This is possible only if we join NATO, reform the command structures in our Armed Forces, cleanse and reorganize our secret services, and develop a Polish defense doctrine based primarily on the capabilities of the Polish arms industry.

We Are Taking Up a Struggle for Poland

I attempted to realize the platform I herewith presented in 1992 as prime minister of the first government to be appointed by the Polish Sejm, the assembly chosen in the first free elections after half a century of communist *nomenklatura* rule. Three years ago, that government was overthrown by Polish forces that felt its platform undermined the very foundations of their political and economic domination. This platform, however, has to be implemented if Poland is to have the position it deserves in Europe in the 21st century.

This is an absolute necessity regardless of who of the independence-Solidarity camp becomes the future president of the Polish Republic. We are thus not only launching a presidential campaign. We are also taking up a fight for Poland, a fight we must not lose.

Olszewski Interviewed on Platform

WS2010090595 Warsaw TYGODNIK SOLIDARNOSC in Polish 13 Oct 95 pp 1, 12-13

[Interview with Jan Olszewski by Anna Poppek and Jerzy Klosinski; place and date not given: "I Will Be a Breakthrough President"]

[FBIS Translated Excerpt] [Passage omitted] [TYGODNIK SOLIDARNOSC] Which part of the constituency are you counting on for support—only the most radical group, which your platform appeals to best? We fear this will not suffice to make it to the second round.

[Olszewski] I am counting on all rational Poles who approve of my socioeconomic platform as an alternative to the current government's policies. Its implementation serves not only the Solidarity-independence camp, but also representatives of small and medium-sized businesses, blue-collar workers, and farmers. The focal point of my platform is the presumption that the fiscal, foreign currency, and exchange policies should be targeted at stimulating the domestic market and domestic production, and the growth of the Polish economy.

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[TYGODNIK SOLIDARNOSC] What do you think of Professor Strzembosz's move? Would you also be willing to back out of the campaign for the benefit of someone who would stand a greater chance of beating Kwasniewski?

[Olszewski] I would be willing to back out only for the benefit of a candidate who, first of all, could boast a larger constituency than mine and, second, have a similar platform. Hanna Gronkiewicz-Waltz suggested a platform that is too general to invite a discussion of the differences and similarities, yet her performance to date at the National Bank of Poland does not indicate I could identify with her political vision. This refers, in particular, to state economic and financial policies. I therefore do not think I could follow Adam Strzembosz's example.

[TYGODNIK SOLIDARNOSC] Some politicians, like Lech Kaczynski, claim that the greatest threat to Poland is the victory of either Kwasniewski or Walesa and are thus ready to support anyone capable of defeating those two candidates.

[Olszewski] If I intended to back out of the campaign I would be interested only in candidates from the Solidarity-independence camp; therefore my criteria are more strict than Mr. Kaczynski's.

[TYGODNIK SOLIDARNOSC] Your platform is largely based on criticism of the status quo. What powers do you, as future president, intend to employ to impede the harmful processes that began six years ago in Poland?

[Olszewski] My backdrop will made up of the political parties and groupings that support me in the elections. I am also counting on Solidarity. [passage omitted]

[TYGODNIK SOLIDARNOSC] How would you cooperate with the current parliament if you won the elections?

[Olszewski] Almost immediately after my being sworn into office, the first conflict would erupt in connection with the 1996 budget. I do not think, however, that the current coalition will survive if it loses the presidential elections. It is clearly bursting at the seams already. It is enough to recall the statement Pawlak issued on the coalition partner or the fact that part of the Polish Peasant Party [PSL] deputies broke party discipline in the vote on the presidential veto [to the Pension Law].

[TYGODNIK SOLIDARNOSC] Do you admit the possibility of forming a strategic alliance with the PSL?

[Olszewski] I cannot pass any judgment in advance. For the time being, I can speak only of the breakdown of the coalition. Let us wait and see how the next political deck is dealt.

[TYGODNIK SOLIDARNOSC] You have repeatedly said that as president you would want to dissolve the parliament as soon as possible.

[Olszewski] I think this parliament should cease to exist as soon as possible. It should either be dissolved by the president as provided for by the small constitution or dissolve of its own.

[TYGODNIK SOLIDARNOSC] One may hardly expect the latter. The postcommunist camp sees you as a threat to the system. The Defense Committee of the Council of Ministers already has an eye on you and refers to you as "extremely dangerous."

[Olszewski] Why are they so afraid?! The very fact that they consider me to be a serious threat to domestic security is very telling not only of the committee itself, but also of the government as a whole. [passage omitted]

[TYGODNIK SOLIDARNOSC] Is file reviewing possible in Poland today?

[Olszewski] Adequate laws would have to be passed—ideally statutes. The current parliament would never pass them.

[TYGODNIK SOLIDARNOSC] Dissolving the parliament means that elections would have to be held very soon. The divided rightist camp does not stand much of a chance of winning.

[Olszewski] Of course. Anyone can see that the rightist groupings are falling apart one by one. The Christian-National Union has already practically split, the Center Accord has lost most of its influence, the Confederation for an Independent Poland is crumbling apart in the field... The political scene must be completely reconstructed so that it can clearly dissect into the camp aiming to retain the old order of a reformed and redecorated Polish People's Republic [PRL] and the independence camp of which, I strongly believe, Solidarity can become the core. [passage omitted]

[TYGODNIK SOLIDARNOSC] The head of state is in control of the so-called presidential ministries. Would you continue to control them?

[Olszewski] Under the current circumstances, when the postcommunists are aspiring to take over all of the major state offices, the presidential prerogatives in this field may be a means of defense. In the long term, however, this is a suicidal trend. You cannot have a government within a government. Let us recall the historical origins of this concept. It was agreed at the "Roundtable" that Jaruzelski was to provide a

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guarantee—for the *nomenklatura* that wanted to retain its position in Poland on the one hand, and for the Soviet protectorate, on the other—that Poland would remain part of the bloc after the "Roundtable" reforms. It was thus decided, with Jaruzelski in mind, that the president would control certain ministries. We tried to take advantage of the situation by electing the leader of our political option—Lech Walesa—for president. He did not, however, manifest the political will that was expected of him. The small constitution curbed Walesa's power over those ministries. The future president—and I hope it will be me—might be able to take advantage of these powers.

[TYGODNIK SOLIDARNOSC] Do you believe there exists a healthy, unsovietized base within the various state services, such as the state administration, the secret services, the Office of State Protection?

[Olszewski] Yes. I believe the majority of our citizens, despite the burden of the past, prefer to live in an independent country they can call their own. That is why the process of desovietization is possible. It must consist of dismantling the personnel system at the top levels. This will be most difficult within the Armed Forces, where a huge part of the cadres should be replaced. [passage omitted]

[TYGODNIK SOLIDARNOSC] One of our top priorities is entering NATO. How do you think this process should be accelerated?

[Olszewski] First of all we must clean up our own yard—introduce civilian administration into the Defense Ministry, cleanse the secret services, which are rooted in the old PRL system. Of course, it is our Western partners who will make the decision of whether to accept us, the United States in particular, but we cannot even dream of the alliance unless we meet certain requirements.

[TYGODNIK SOLIDARNOSC] If you were president now, how would you have reacted to President Yeltsin's recent statements?

[Olszewski] He did not say anything new. President Walesa made a huge political mistake: He should not have asked Yeltsin whether he would agree to Poland's joining NATO. No sovereign state asks another state such questions. If it does, it extends an invitation for others to question its sovereignty.

[TYGODNIK SOLIDARNOSC] Do you think our sovereignty is threatened from the East?

[Olszewski] If Russia, at a time of its greatest political and economic weakness, is not willing to acknowledge Poland's status as an equal and sovereign partner, Russia's policy toward Poland—and the entire history of Russia proves it—should be treated very seriously. Certain statements should not be dismissed lightly because of the problems President Yeltsin is facing in connection with the coming elections or with his health. The casual declarations issued today may take real shape as soon as Russia has the means to implement them. Naturally, the victory of the Democratic Left Alliance candidate would cause us to become more dependent on our Eastern neighbor.

[TYGODNIK SOLIDARNOSC] Do you see similar threats from Germany?

[Olszewski] No. I only have reservations about the idea that Poland should join Europe under the protection of Germany. This does not, of course, imply that I am questioning the necessity of a Polish-German agreement. [passage omitted]

Walesa Promises More Active Role in Legislation

LD1910172895 Warsaw Polskie Radio First Program Network in Polish 1400 GMT 19 Oct 95

[FBIS Translated Text] President Lech Walesa has announced that, if he is elected for a second term, the legislative initiative, the veto, and political measures will remain his main instruments of action. During a preelection meeting in the historic BHP Hall at the Gdansk Shipyard, Walesa promised more active participation in legislative processes than in his first term.

Bishops Call For Government Moves on Concordat

LD1910224395 Warsaw Polskie Radio First Program Network in Polish 1800 GMT 19 Oct 95

[Portions within quotation marks are recorded]

[FBIS Translated Text] In a proclamation published today on the need for dialogue and tolerance, Polish bishops called for national self-examination and reconciliation. As Bishop Jozef Zycinski said, it is proper to see that which unites us and not that which divides us.

[Bishop Zycinski] "The final parts of the proclamation speak of the need for national self-examination. If we keep silent about that which was inhuman, the same errors might again arise in the drama of human events. This is not at all an allusion to any kind of program of vetting, but, at the same time, for truth not to kill in us the spirit of love, the proclamation expresses the hope that we are capable of saying that we forgive. There is just one thing—that this forgiveness be based on conditions that are generally accepted in Christian theology. Meaning, that the minimum condition for forgiveness is an expression of guilt and a readiness

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to remedy the ill, to the extent that such a thing is possible."

The Council of Ministers today sent to the episcopate a draft of a joint declaration of the government and episcopate regarding the disputed points in the Concordat, with remarks by members of the government. Deputy Prime Minister Aleksander Luczak said that they relate mainly to matters regarding the contraction of marriages and the financing of Catholic educational establishments.

[Aleksander Luczak] "There are remarks regarding these points that make certain matters more precise. They express the observations of ministers. These are the changes regarding the well-known matter relating to the Civil Code—that is, marriages. The part of the Council of Ministers is being presented here, I would say, with a greater measure of precision. The dispute relating to the financing of schools is also well known, and, in the clause that has been presented in the government suggestion, we seek that this finally be decided by the Sejm."

Bishop Tadeusz Pieronek, secretary general of the episcopate, believes that the remarks raised by members of the Council of Ministers might change the content of the agreement with the Holy See to an excessive degree. Bishop Pieronek told journalists that consideration of the amendments suggested by the government is not within the prerogatives of the government-episcopate joint commission, which is to look at the declaration.

[Bishop Pieronek] "The remarks that have been put forward do, it seems to me, go rather too far, and I do not know whether or not they do not exceed our prerogatives.

"Dialogue is always necessary, but, well, it must also be in accordance with the truth. The truth, in relation to the Concordat, is such that the prerogatives for changing its content lie with the Holy See and the government, in their joint talks."

Bishop Pieronek also said that he does not attach too much hope to the draft law, directed by Lech Walesa to the Sejm, authorizing the president to ratify the Concordat.

[Bishop Pieronek] "It is a pity that this draft law was not received by the Sejm say half a year ago. I will admit that there was then not perhaps the appropriate atmosphere. Both the Polish Peasant Party and the president are showing a measure of activity here that was required earlier. It is also good today, although I do not attach any special hopes to this."

Trade Potential With Former Soviet States

95EP0185A Warsaw RZECZPOSPOLITA in Polish 2-3 Sep 95 pp 10, 21

[Article by Professor Marek Kostrzewski, Warsaw University Management Department, Center on the Eastern Market: "Business in the East: Our Prospects and the Opportunities We Are Missing"]

[FBIS Translated Excerpt] To survive, a company must produce what it can sell and not sell what it produces. This also applies to the Eastern market (Russia, Ukraine, Belarus), which in the near term will become a major market for our goods.

That market requires special attention, if only in view of its huge potential, its geographic proximity, our familiarity with local social and cultural conditions, and the historic opportunity afforded to us by the changes occurring in the East.

First Among the "Twelve"

Of the 12 countries of the CIS [Commonwealth of Independent States], the one with the greatest volume of foreign trade is Russia. This is not surprising since that country is inhabited by 52 percent of the population, generates 59 percent of the national income, accounts for 67 percent of industrial output and 47 percent of farm output, and possesses 60 percent of the natural riches of the former USSR. During the first half of 1995 its foreign trade, including merchandise imported by physical persons, amounted to $59.9 billion (with non-CIS countries accounting for $46.7 billion), of which $35.6 billion was in exports ($28.3 billion to non-CIS countries) and $24.3 billion was in imports ($18.4 billion from non-CIS countries). Its balance of foreign trade was positive ($11.3 billion), as it was last year ($17.2 billion). Of considerable importance here is the so-called unofficial trade, performed by physical persons, so-called suitcase trade. With Turkey alone it amounted to $5 billion, whereas the volume of official trade with that country was $2 billion.

The principal Russian exports during the first half of 1995 were: natural gas, $6.6251 billion; crude petroleum, $6.2587 billion; ferrous metals, $2.7156 billion; machinery, equipment, and means of transportation, $1.7564 billion; aluminum, $1.4304 billion; diamonds, $1.0221 billion; fertilizers, $836.8 million; nickel, $514.5 million, etc. The greatest increase in exports, as a percentage in comparison with the first half of 1994, was recorded for exports of cellulose (372.4 percent), newsprint (313.6 percent), nickel (224.7 percent), and copper (209.7 percent).

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The extraction of crude petroleum and natural gas is declining, but their exports are rising. This is demonstrated by the performance of the fuel and energy complex during the first half of 1995: The extraction of crude petroleum amounted to 153 million metric tons (compared with 157.16 million tons in the first half of 1994), while the exports of crude petroleum amounted to 46.42 million metric tons in the first half of 1995 and 45.72 million tons in the first half of 1994. Similarly, in the first half of 1995, compared with the first half of 1994, the extraction of natural gas amounted to 304.6 billion cubic meters and 312.44 billion cubic meters, respectively, while its exports amounted to 60.68 billion cubic meteres and 54.83 billion cubic meters, respectively. Hence, more than 30 percent of the extracted crude petroleum and 20 percent of the extracted natural gas were exported. In terms of companies, Rosneft, Lukoil, Surgutneftyegaz, and Yukos accounted for more than one-half of all exports of Russian crude petroleum.

The situation with grain is similar to that with gas and oil, i.e., its output and imports are declining but its exports are rising. Last year the grain harvest totaled 81.3 million metric tons, i.e., 18 percent less than in 1993. The principal grain exported outside the CIS was barley (the only grain whose output increased in comparison with 1993), 280,000 metric tons. In practice, its sole customers were Saudi Arabia, Estonia, and Iran. Per capita grain imports declined from 149 kg in 1992 to 24.7 kg last year.

Imports during the first half of 1995 were dominated by machinery and equipment ($7.4662 billion), meat ($524.2 million), medicines ($481.8 million), sugar ($474.8 million), alcoholic and nonalcoholic beverages ($453 million), clothing ($319.7 million), steel ($300.9 million), steel pipe ($289.1 million), and poultry ($267.4 million), etc. According to a forecast by the Russian Ministry of the Economy, this year the biggest exporters of medicines to Russia will be: Poland, 13.7 percent; Hungary, 8.9 percent; Germany, 8.6 percent; and Switzerland, 8.3 percent. The greatest increases in imports were recorded for sunflower oil (347.5 percent), animal butter (186.2 percent), meat (153 percent), and sugar (139 percent).

The Germans at the Top

Since 1972 Germany has been the biggest trading partner of the USSR, and later Russia (and at present also Belarus and Ukraine). During the first five months of 1995 our western neighbor accounted for 13.8 percent of Russia's foreign trade, followed by the United States (7.1 percent), Holland (5.2 percent), Italy (5.1 percent), and Finland and Great Britain with 4.7 percent each. It should be noted that Russia accounted for 1.8 percent of Germany's foreign trade last year. In comparison: Luxemburg (population 0.5 million) accounted for 2 percent. [passage omitted]

Customs Duties

Cooperation between Poland and Russia, Belarus, and Ukraine is dominated by trade. Other forms of cooperation, such as industrial cooperation or scientific and technical cooperation, are developing feebly. It is highly likely that in the near future trade will continue to dominate our economic contacts with the Eastern market. This is demonstrated, for example, by the results of surveys conducted by the Warsaw Center for the Eastern Market, of nearly a thousand Polish enterprises desirous of doing business with the East. Both trading and commercial enterprises definitely prefer sale-purchase contracts. Since trade predominates, the customs duties mandatory in the East are of special importance to us. Therefore, reflections on this topic will precede the discussion of aspects of the size and structure of our trade with Russia, Ukraine, and Belarus.

Last year the economic disintegration of CIS countries continued. Russia's trade with these countries declined by 30 percent compared with 1993. Russian experts estimate that the sole real step toward integration was the creation last January of the premises for establishing a customs union linking Russia, Belarus, and Kazakhstan. As of 1 January 1995 there is no longer a customs boundary between Russia and Belarus, i.e., duties and nontariff restrictions in reciprocal trade have been abolished, and a common (Russian) duty tariff vis-a-vis third countries has been adopted. The regulations governing foreign economic cooperation in both countries are being unified. This means the acceptance by Belarus (and later by Kazakhstan) of Russian rules of the game. It cannot be otherwise, because, for the time being, a supranational customs agency has not been created, and joint decisions are being worked out through agreements at the governmental and ministerial levels.

As of 1 January 1996 export duties (specific duties of from ECU1 to ECU64,000 per metric ton, and ad valorem duties of 3 to 25 percent) will be abolished in Russia. In the USSR import duties used to be stable. In the years 1965-90 they were changed only once, in 1981. Since 1991 Russian import duties have been constantly changed. As of July 1995 new import duties, common for both Russia and Belarus, are mandatory; they amount to (in percent of dutiable value), e.g., 5 for livestock on the hoof, tractors; 10, for fish, pharmaceuticals, fruit juices; 15 for meat, processed meat, dairy products; 20 for butter, furniture, bicycles; 25 for poultry, sugar, potatoes, suits of clothing; 30 for clothing of natural leather, passenger cars; 80 for cigarettes; 100

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for alcohol. The following goods, among others, can be imported duty-free: fish meal, tea, seed wheat, barley, oats, corn, sunflower seeds, baking powder, natural rubber, diapers, books, corrective lenses, ferrous metal scrap, and medical equipment. In addition, representatives of foreign companies and banks may temporarily import into Russia duty-free and tax-free such items as office equipment (furniture, computers, fax machines) and the automobiles needed to ply their businesses.

Persons importing merchandise worth $2,000 to $10,000 (duty-free up to $2,000) are charged duties according to a fixed duty rate of 30 percent, with normal import duties being levied on imports exceeding $10,000 in value.

Compared with the previous tariffs, the duties on food were raised the most. Domestic producers are unable to meet the steadily rising demand, and higher duties will only worsen the situation. But, properly speaking, who are domestic producers protected against when duties are levied on overseas fruits that are not grown in Russia? Are they sugar producers, who meet 30 percent of Russia's demand? Currently in the food industry there is no enterprise that has reduced the size of its output. Particularly scarce goods include meat, cured meats, vegetable butter, and significantly, sugar.

In Moscow the consumption of nearly every food product is declining, with the exception of milk, bread, and eggs. The situation is better there with regard to supplies of grain, canned fish, potatoes, and eggs, which the Polish exporters cannot sell there, because domestic supply meets the city's demand.

In addition to the duties, food imports are also encumbered by a VAT [value-added tax] amounting to 10 percent for meat, milk, kefir, cottage cheese, animal and vegetable butter, eggs, bread, fish, vegetables, potatoes, nutritive food supplements for children, flour, kasha, macaroni, and 20 percent for other food products, along with a special 1.5 percent tax for promoting the growth of the principal branches of the national economy (until 31 December 1995).

Polish Food Exports Rising

Poland's principal trading partners to the east (Tables 1, 2, and 3) were Russia, $2.387 billion (accounting for 6.2 percent of Poland's foreign trade); Ukraine, $485.2 million (1.2 percent); Belarus, $302 million (0.8 percent); Lithuania, $190.2 million (0.49 percent); Kazakhstan, $101.3 million (0.26 percent); and Uzbekistan, $99.0001 million (0.20 percent). We had a negative balance of trade with Russia last year ($518 million), in 1993 ($922.9 million), in 1992 ($717.1 million), and in 1991 ($476 million), as well as with Uzbekistan ($55 million), Kazakhstan ($47 million), and Belarus ($28 million), while with Ukraine and Lithuania our balance of trade was positive ($76 and $33 million, respectively).

In the first half of 1995 our greatest exports were to Germany, Italy, Holland, and Russia ($529 million, i.e., 5 percent of overall exports), and our greatest imports were from Germany, Italy, and Russia ($953 million, or 8 percent of overall imports). The negative balance of trade with these countries, amounting to $423 million, is certain to get worse by year's end. This opinion is warranted by last year's experience.

Following the first half of 1994 we had a positive balance of trade with Russia ($24 million), but for the year as a whole it was negative ($518 million). The reason was the introduction on 1 July 1994 of import duties on agricultural and food products, which are the principal item of our exports. Similarly, as of 1 July 1995, new higher food duties have been introduced, which will complicate our entry into the Russian market. In the first half of 1995, that is, before the increase in duties on 1 July, Polish food exports declined to 94 percent of their 1994 level (see table [not reproduced here]), because as of early spring a 10-percent VAT has been levied on imports of agricultural and food products.

The increase in our exports to Russia in comparison with the weak year 1993 (only $817 million) is misleading, because it is based upon shallow ground. An increase in duties by a few percent suffices to cause our exports to decline; this includes food, which dominates our exports to Russia (43.5 percent in the first half of 1995) and Belarus. To be sure, the share of food products in our exports to Belarus rose to 29.1 percent in the first half of 1995 from 27.4 percent in the first half of last year, but let us bear in mind that in that country, too, the new Russian import duties are now mandatory.

On the one hand, Russia needs food, and we export it there, but on the other, the share of food in worldwide Polish exports, compared with other products, was the lowest in the years 1989-94, and in 1993 it amounted to 9.8 percent and in 1994 to 11.4 percent (compared with 43 and 40.5 percent, respectively, for exports of iron and steel products). It is a disturbing fact that the terms of trade with Central and Eastern Europe in agricultural and food products have been unfavorable to Poland, with that trade amounting to 95 and 82.4 percent, respectively, in 1993, and 85 and 97.8 percent, respectively, in 1994 (compared with 100 percent in 1992). Surveys conducted by the Institute for Business Cycles and Prices show that, following the first quarter of the year, nonexporters (within the section "Production of Foods and Beverages") were in a much better financial

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situation than (worldwide) exporters. For the latter, the net profitability index was - 4.2 (RZECZPOSPOLITA, No. 192/95, 21 August 1995). That index was found to be the highest for exporters within the section "Production of Pulp, Paper, and Paper Goods" (+ 22.18).

Another example—in addition to food—which for the time being is consoling concerns medicines, which we will export this year in the largest quantities ever to Russia (our share in the entire Russian imports of medicines is 13.7 percent), ahead of Hungary (8.9 percent), Germany (8.6 percent), and Switzerland (8.3 percent). But will we remain gratified by this fact for long? Will we preserve our high standing in this respect without making capital investments in Russia? No, because even now, other foreign companies are intending to manufacture drugs there, and it is they who will soon win the market.

This may be exemplified by the expansion of a midsized American company, ICN Pharmaceutical, Inc. (drug output last year $0.5 billion, profit $75 million), founded and directed by Milan Panic, a former prime minister of Yugoslavia. First it acquired 75 percent of stock in the Oktyabr factory in St. Petersburg, the largest of its kind in northwestern Russia (and the oldest, having been founded long ago by Peter the Great). After the remaining 25 percent is purchased, the ICN-Oktyabr company will be established and will begin building a new plant in St. Petersburg (construction cost $180 million). Once that plant is put into operation, 18 months later, it will begin manufacturing drugs worth $420 million annually. We will have no chance of competing with local producers, because a company's standing in trade is decided not so much by its status on the domestic market as by the courage and skill shown in making capital investments on the foreign market. The Russian pharmaceuticals industry can meet 30 percent of the domestic demand, and it is chiefly the "locals" who will participate in dividing up the remaining 70 percent, rather than we.

Another example. We all like juices, and the Russians are particularly partial to apple, cherry, and black currant juices, which the Polish Hortex supplies there. But it is not Hortex that is now establishing the network of Morozko stores in Moscow, at which a broad variety of frozen foods can be purchased; it is instead Unia, a company which at one time began operating as a dealer in Master Foods (the Russian branch of Mars, Inc.).

Friendly Procedures

The Russian customs code provides for applying, in addition to export and import procedures, other customs procedures, such as reexportation, temporary importation, transit, duty-free stores, relinquishment of merchandise in favor of the state, reimportation, bonded warehousing, and processing. The last two should attract considerable attention from our businessmen. Goods imported for bonded warehousing are kept under customs bond for three years without customs fees being levied nontariff restrictions being imposed. Upon being so licensed, Russian legal entities (including joint ventures) and physical persons may establish such warehouses. When merchandise is removed, the applicable duties and taxes are levied according to its value when first deposited in the warehouse and not when exported. The first bonded warehouse in the USSR was opened in 1980 at Butovo, and until 1990 it remained the only one of its kind. But by August 1993 there were as many as 90 such warehouses in Russia, and early in 1995 their number in Moscow and Moscow District alone totaled nearly 160 (with surface areas ranging from 400 to 30,000 square meters).

One of the three "processing" procedures is "processing outside the customs territory," when Russian goods are exported with the object of their processing and are thus exempt from nontariff restrictions. The Russians guarantee complete or partial exemption from duties and taxes, but only if the processed goods are found on the Russian market. They can be processed in our country, too, and profitably at that, while our neighbors will be happy because then they will import those goods duty-free for their market. But we, too, can be as happy, because, pursuant to the procedure for processing under customs inspection, Polish merchandise can be processed in Russia (for at most six months) without being subject to nontariff restrictions or to the requirement of paying import duties and taxes. Next, it has to be offered on the Russian market. The above procedures are indeed worthwhile, but only when they are utilized.

Nontariff Instruments

The new rules for the nontariff regulation of exports have abolished the previously existing licenses and quotas for the exportation of Russian raw materials (they apply to the importation of industrial wastes and pesticides). The only cases in which registration with the Ministry of Foreign Economic Cooperation is still required apply to exports of fish, fish products (sturgeon, salmon), caviar, wheat, soybean and sunflower seeds, ethyl alcohol, crude petroleum, petroleum products, gas, electrical energy, fertilizers, lumber, coniferous timber, copper, nickel, tin, and cobalt and cobalt products. As of 1 July 1995 the above goods can be exported on condition that the exporter obtains prior certification from a Russian or foreign organization licensed by a commission appointed by the Federal Service for Foreign Exchange and Export Controls to perform

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independent expertises. The purpose of the expertise is to verify consonance between the quantity and quality of exported merchandise and the data reported in the customs declaration, as well as to verify consonance between the prices of the merchandise and world prices.

In Ukraine, licenses and quotas are still retained for exports of grain, noble metals, precious and semiprecious stones, noble, ferrous, and nonferrous metal scrap and wastes. As for import licenses, these concern slag, pesticides, pharmaceuticals, articles of personal hygiene, and mineral fertilizers.

Other export contracts subject to registration with the Ministry for Foreign Economic Cooperation concern the exports of textiles, metallurgical products, uranium, ammonia, urea, and the reexportation of, among other goods, meat, sugar, lumber, paper, and milk and dairy products, as well as barter contracts.

The switch from licensing contracts to registering them has enhanced the importance of the indicative prices determined once every month by the Ministry for Foreign Economic Cooperation. Export permits are issued only when the price specified in the contract is in accord with the indicative price. In practice this rule is rarely adhered to. This also applies to the rules for implementing barter transactions, binding since 20 February but for the time being still unenforced, which require "import deposits" that are to be refunded to the depositor (i.e., to a Ukrainian company) upon presentation of customs documents proving that the barter deal has been completed. Last year nearly one-half of trade between Ukraine and other countries was in the form of barter deals.

Where Money Is Counted

Banking systems on the Eastern market are young and, outside Russia, undercapitalized. Thus, e.g., the combined capital of all the banks in Belarus amounts to a mere $79 million, whereas the charter capital of the Russian Inkombank, which intends to open an office there and subsequently a branch, is $170 million.... [passage omitted]

Foreign Banks

Aside from Bank Austria (which cannot work with Russian residents) there are no foreign banks in Russia. [passage omitted]

In addition, there exist eight banks in which foreign capital owns more than 50 percent of shares, and 154 joint banks. The Russian central bank has imposed many restrictions (until 1 January 1996) on the operations of banks in which foreign capital owns from 50 to 100 percent of shares. [passage omitted]

In Ukraine there exists just one bank owned 100 percent by foreign capital, Credit Lyonnais Ukraine. It mainly handles the accounts of joint ventures.

Cooperation between Poland and the Eastern market should follow the already established pattern. First banks establish contacts, and then companies follow. Poland's Bank Handlowy in Warsaw, SA maintains an office in Moscow; Bank Pekao, SA has offices in St. Petersburg and Vilnius, as do Kredyt Bank in Kaliningrad and Bank Depozytowo-Kredytowy in Minsk and Lutsk. Kredyt Bank has acquired 7 percent of shares in the Minsk Priorbank. In Poland one Russian bank, Montazhspetsbank (the 32nd largest in Russia in terms of assets and the leading bank in terms of its growth pace), maintains an office, as do two Belarussian banks—Priorbank (ranks third in Belarus) and Belvneshekonombank (fifth).

For the time being there exists practically no cooperation between Polish and Eastern banks as regards services and sponsorship of business projects implemented with the participation of companies from both countries.

Clearings

Many Polish businessmen believe that the only safe form of trading with the Eastern market is barter deals. Another form of trading is goods for cash. No credit, no sureties, no checks, no fund transfers. Payment must be made as in a store: full payment when picking up the merchandise. Moreover, the deals must be thus completed on Polish territory alone. At present transactions are cleared chiefly in convertible currencies and at world prices. The applicable terms of payment should be clearly specified in the contract. Goods should be exported from Poland only when the letter of credit is confirmed by a Polish or Western bank or when an advance payment is received. More than 220 Russian banks (of which one-half are in Moscow) operate with a so-called general license permitting them to engage in the full range of foreign exchange banking operations, both in Russia and abroad, as well as to open any desired number of accounts in foreign banks.

Russian commercial banks do not restrict the level of advance payments for import contracts. Bashkiria is for the time being the only region in Russia where enterprises which have made advance payments of foreign exchange abroad and have failed to receive the goods ordered will be penalized.

Quite recently Russian importers could acquire goods from Western suppliers practically only when advance payments were made. However, the situation is slowly changing and Russian banks are offering their customers

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new prospects, such as, in addition to factoring, "forfeiting," i.e., financing foreign trade by discounting bills of exchange without the right of regression, that is, at the bank's own risk. Prior to receiving the merchandise, the Russian importer presents to the exporter a bill of exchange guaranteed by a Russian bank which enjoys a good reputation on the international financial market (e.g., the Vneshtorgbank). Upon receiving that bill the exporter presents it to the foreign bank which has signed an appropriate agreement with the Russian bank, and immediately receives payment minus the discount.

Invest With Your Head, Not Over It

As of 1 May 1995 the number of registered joint ventures in Russia was 15,717, but in reality only 8,889 (57 percent of those registered) were operating, and of that number 1,134 were owned jointly with other CIS countries and 7,755 with non-CIS countries. The share of foreign partners in the operating capital of these companies was 59 percent. Joint ventures may be in the form of limited partnerships and joint-stock companies. For the latter the size of operating capital may not be smaller than 1,000 times the minimum monthly wage, while for a limited partnership this requirement is 100 times the minimum monthly wage on the day the charter documents are presented for registration. [passage omitted]

In the West Siberian and Ural regions German companies were the most competitive.

In the first three months of this year foreign investors invested $229.9 million, or 60 percent of investment outlays, in the first quarter of this year and 73 percent in the fourth quarter of 1994. For the first time in this domain, Russia was outpaced by Ukraine, where foreign investments totaled $430.3 million, of which $402 million or 93.4 percent were from non-CIS countries. [passage omitted]

Like S. Bratkowski I would "give a great deal to live long enough to see the moment when Poles, the only ones other than Russians who could work in Siberia and love that formidable country, would, together with Russians and native peoples, work as experts on exploiting Siberia's riches and colonizing it" (RZECZPOSPOLITA, 22-23 April 1995). But nowadays considerable capital is needed in order to derive equally considerable advantages from Siberian natural wealth.

During the same time, domains other than Russia have been attracting foreign capital to Ukraine, where the machinery and food industries are of greatest interest (16.9 and 14 percent, respectively). The situation in Belarus also is different—there is practically no direct foreign investment there.

At present foreign investors in Russia count chiefly on high incomes and do not wish to reinvest their profits, which either are repatriated or "settle" in the bank accounts of foreigners in Russia without promoting further expansion of output. During the first quarter of this year foreign investors reinvested in Russia only $41,000, i.e., 0.02 percent of their earnings there.

Investment Climate

The Russians count greatly on an influx of foreign capital, which has so far been in short supply on their market. For the time being, however, everything indicates that things will not improve in the short run, because in the last two years the investment climate for foreign investors has grown worse. [passage omitted]

All these factors have affected the appraisal of the investment risk in Russia compared with other developing markets, performed by the Economist Intelligence Unit of the periodical THE ECONOMIST. On the 100-point scale of risk Russia ranks 90 points, whereas Poland ranks 58, Hungary 50, the Czech Republic 29, and Singapore, 7 points.

Not Only Moscow and Kaliningrad

Should we decide to invest on Russian territory, we should bear in mind that Moscow, St. Petersburg, and Kaliningrad Oblast are not the entire country. That is because the Russian Federation includes 89 administrative divisions (e.g., republics, krays, oblasts), of which as many as 47 adjoin the borders of other countries or are littoral. They can delegate their own representatives to Russian trade missions abroad. Yakutia, Buryatya, Tatarstan, and Bashkiria have availed themselves of this possibility. Representatives of these republics work in Russian trade missions in Austria, Belgium, the Czech Republic, the United States, and Great Britain, but not in Poland. There is also another way in which they can protect their interests abroad: They can open their own missions, on condition that these have the status of ordinary legal entities rather than of federal-level state agencies. Many are waiting to establish foreign cooperation. In many the arms industry is being converted. This is happening, e.g., in Udmurt Republic, where as recently as 10 years ago one-half of industrial output (currently 10 percent) had been linked to the defense sector, and Kalashnikov automatic rifles and Makarov pistols still continue to be manufactured, but now motor vehicles, Izmash motorcycles, tape recorders, etc., also are being made.

The sudden decline in arms production is making it possible to retool many enterprises and start manufacturing consumer goods—perhaps jointly with Poles. Investors

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are being awaited by mineral-rich Bashkiria, where public transportation is... gratis. That republic is not satisfied with ordinary foreign trade transactions alone; long-term cooperation agreements (e.g., with Austria) are being signed, and special agencies regulating bilateral economic relations are being established. There exist regions in which the tax assessed on joint ventures is lower than that binding on the remaining territory of the Russian Federation. The amount of that tax transferred to the federal budget is 13 percent and to the budgets of the Federation's local governments, 22 percent at most and sometimes none, according to the rates they assess. Thus, e.g., in Tatarstan, as of the beginning of this year, joint ventures are exempt for three years from the tax on profits (with regard only to that part of profits which otherwise would be transferred to the republic's budget). This tax holiday will be extended to five years if a joint venture undertakes production in priority branches of the economy. Such exemptions will be granted only in cases in which foreign capital accounts for more than 30 percent of the operating capital of the company and is at least $1 million. In the Kalmuk Republic all companies (including joint ventures) pay no tax on profits at all if they do not exploit the local natural riches.

We are making a mistake in underestimating the process of decentralization that is underway in Russia. Hence our tardiness compared with the Czech Republic and Hungary in establishing economic contacts with discrete republics and regions of the Russian Federation. Our perception is confined to the biggest Russian cities and Kaliningrad.

Without Privileges

For the time being, foreign capital cannot count on being accorded special preferences in Kaliningrad Oblast, because last March all customs rebates benefiting enterprises, subsectors, and regions were abolished in Russia. Thus such preferences were abolished not only for associations of the disabled and foundations, but also for such structures as the Ministry of Internal Affairs, the State Committee on Customs Duties, or such giant conglomerates as Gazprom. As regards regions, the following were deprived of such privileges: the republics of Udmurtia, Chuvash, Komi, Buryatia, Dagestan, Adygeya, Sakha (Yakutia), and Karelia, and the oblasts of Murmansk and Kaliningrad (on whose territory existed the Yantar Free Economic Zone). The introduction of customs duties reduced the profitability of the commercial dealings in these regions, but it did not markedly affect manufacturing output, whereas last year, when these privileges were still in force, that output declined by 30 percent, compared with 1993, in the "Zone." Wishing to stem the influx of capital, however, the authorities of Kaliningrad Oblast drafted last May, with Moscow's consent, temporary guidelines for the reimbursement of collected customs fees. Their reimbursement began in August, but in limited amounts.

There are no free economic zones, but instead free customs territories have been in operation since 1993 (e.g., Moscow Franco-Port), along with—a curiosity—one so-called people's trade zone on the Russian-Chinese border. The introduction of entry visas for Chinese and the wish to replace elemental petty barter deals with large wholesale shipments involving payments for goods and services through the mediation of banks, have resulted in a situation in which the local population have begun to explore unconventional solutions. The border rivers Amur, Urgun, and Ussuri, which are frozen in winter, are becoming so-called zones of people's trade where, on one side of the border, on ice, Russians offer their merchandise, and on the other side the Chinese. The world's longest bazaar on ice is forming.

Buying a Company

From the outset, Russian privatization has been open to foreign investors. They could buy and invest in privatization vouchers on the Russian market, with the exception of the power, oil, and gas sectors. As of mid-1994 shares can be purchased only for cash, because the vouchers have lost their purchasing power. Foreign capital has access to areas previously closed to it. Thus, for example, some 15 percent of the equity capital in the biggest Russian companies (e.g., EES Russia, Gazprom, Lukoil, Norilsk Nickel) is now owned by foreign investors. But certain restrictions apply here. The participation of foreign investors in the privatization of commercial companies, restaurants, service establishments, utilities, and small companies with up to 200 employees is subject to approval by local governments, while their participation in the privatization of the arms industry enterprises engaging in the extraction of oil, gas, ores of strategic metals, and precious and rare stones and metals requires approval by the federal government.

Four forms of asset sales are practiced. First, the work forces receive part of the shares gratis or on convenient terms (about 10 percent of capital stock). In the next stage, large blocks of shares, at least 15 percent, are sold by tender, with the principal buyers being big investors, including foreign ones. The latter have played a major role in the formation of the securities market in Russia, which has largely evolved as a result of orders from the West for the purchase of shares ($2 billion last year). At present 11 percent of all participants in privatization are foreigners. A majority of foreign investors in Russia are American and British investment funds (e.g., Russian-

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American Enterprise Fund, Icebreaker, Firebird, First NIS Frontier Fund, LBC-Partners, San Antonio Capital) and banks (e.g., Credit Suisse, First Boston, Merrill Lynch, Solomon Brothers), as well as so-called family funds and private investors.

When buying shares in Russian companies through Western investment funds or banks, we can be certain that their assessments of the financial status of the issuer and of the attractiveness of its shares will be as close as possible to international standards, which in itself is a guarantee of investment effectiveness. Another way of acquiring shares is through contacts which exist, at present, with 26 Russian banks authorized to sell them. The advantage of this approach is that the local banks are more familiar with the specific conditions of their markets.

The third form of asset sales is through bidding, with the potential buyer expected to offer investment commitments to a particular company. All the remaining shares are sold at specialized auctions in which persons and legal entities other than the enterprises in which the state owns more than 25 percent of equity capital may participate.

A well-known American economist Professor Rudiger Dornbusch (Massachusetts Institute of Technology), when asked by reporters from the KOMMERSANT weekly to evaluate the Russian economic policy, answered that he is impressed by the pace of privatization, which is opening the door to Western investments. He declared that he himself has invested in Russia even though it is presently in a crisis. In 10 years things will change and that is why he wants to own a piece of that future success.

In Ukraine and Belarus privatization is proceeding much more slowly than in Russia. In Ukraine so far only about 300 large and midsized plants have been transferred to private hands. The results of the so-called small-scale privatization (retailers, restaurants, services) are no better. Only a little more than 1,800 establishments out of the several hundred thousand set aside for change of ownership have been sold. The situation is no better in Belarus. As of 15 July 1995, out of the 3,716 state enterprises 6.8 percent were commercialized and 6.4 percent were privatized.

The 14:52 to Moscow

That is the departure time of the Polonez Express Train from Warsaw's Main Station to Moscow. The results of the negotiations underway there hinge on the expertness of our preparations, courage, and patience, and the feeling that the Eastern market must be fought for. Nowadays Polish companies cannot do business in isolation, at their own risk alone. Export insurance, cooperation loans, and loan guarantees are a weak link in our foreign trade. It is necessary to explore the possibilities for cooperation between Polish capital and that of Eastern, Western, and CEFTA [Central European Free Trade Association] countries, in order to jointly win the market of our Eastern neighbors. Without cooperation, which is a complement to trade, there is no point in thinking about expanding trade with the East. [Tables on Trade with Russia, Trade with Ukraine, and Trade with Belarus not reproduced. Table on "Biggest Foreign Investors in 1994 in Russia (in Terms of Capital Contributions to Joint Ventures)" not reproduced.]

[Box, p 10]

Meeting Between Poland and the East

Today the two-day Fifth Poland-East Economic Forum begins in Krynica. This year the principal topic of the Forum is to be "Possibilities for and Barriers to the Development of Economic Cooperation Among Belarus, Poland, Russia, and Ukraine in the Process of European Integration."

The organizer of the meeting, which will be attended by 160 Polish businessmen, is the Institute for Eastern Studies. Mikhail Mlasnikov, deputy prime minister of Belarus, and Viktor Pynzenyk, deputy prime minister and minister for foreign economic cooperation of Ukraine, declared they are coming to Krynica. On the other hand, Russia's deputy prime minister and minister of foreign trade has not confirmed that he is coming.

[Box, p 10]

Graph on Trade With the East: Exports and Imports in Millions of Dollars

1994: Poland-Russia, exports 910, imports 1,490; Poland-Belarus, exports 290, imports 180; Poland-Ukraine, exports 140, imports 150.

First Half of 1995: Poland-Russia, exports 590, imports 910; Poland-Belarus, exports 300, imports 140; Poland-Ukraine, exports 140, imports 150.

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Ministry: 'Great Problems' With Kozloduy Reopening

AU1910164195 Bucharest Radio Romania Network in Romanian 1400 GMT 19 Oct 95

[FBIS Translated Text] We have received a communique from the Ministry of Environment, Forestry, and Water Resources—more precisely, it is from the National Commission for the Control of Nuclear Activities—regarding the recommissioning of the No. 1 Unit of the Bulgarian nuclear power station Kozloduy. The text of the communique points out that the unit's return to service this fall creates great problems for Romania, due to the psychological impact such a thing has on the country's population and the inherent risks posed by a nuclear accident. The big risks are due to the outdated concept of the WWER-440 reactor, which does not have a protection blanket and independent switch-off system in case of mishaps, and to the advanced state of deterioration of the materials making up the reactor's casing, in the more than 20 years of its existence. Moreover, because of the power station's location on the border between Romania and Bulgaria, the four nuclear reactors of the Kozloduy nuclear power station represent a potential danger for our country in case of a nuclear accident, since a large part of the territory might be affected and the population evacuated from a radius of 30 kilometers.

The communique also emphasizes that the failure to finalize the bilateral Romanian-Bulgarian convention on rapid notification in case of nuclear accidents—an accord negotiated and agreed upon in Bucharest and then forwarded to the Bulgarian side two years ago—makes these risks even more unacceptable to the Romanian side. The communique expresses the conviction that the European Parliament's resolution, which requested the immediate closing down of Kozloduy's No. 1 Unit, will make Bulgaria stop the functioning of this nuclear station.

The communique emphasizes that the Ministry of Environment, Forestry, and Water Resources, through its specialized bodies, is implementing an intensive nonstop program of supervising the radioactive level of all environmental factors.

Chirica Removed From ROMTELECOM Post

96P20032A Bucharest EVENIMENTUL ZILEI in Romanian 13 Oct 95 p 1

[Article by Laurentiu Solomon: "Andrei Chirica Is Removed from His Position as Director General of ROMTELECOM"]

[FBIS Translated Text] As a result of numerous complaints from the people about the services offered by ROMTELECOM, the minister of communications, Adrian Turicu, in Order No. 301 of 11 October 1995, has removed Andrei Chirica from the position of director general of the ROMTELECOM public corporation. The order for his removal was signed at 7 PM on Wednesday evening.

Considered one of the greatest specialists in the field of telecommunications, Andrei Chirica held management positions in his career. He was chief engineer and, later, deputy general director of the General Directorate of Posts and Telecommunications and minister of communications under three governments, from June 1990 to August 1994. He was replaced as minister after the signing of the governing protocol between the PDSR [Social Democracy Party of Romania] and the PUNR [Romanian National Unity Party].

Andrei Chirica said, in a statement to the press: "Mr. Turicu told me, as far back as November 1994, that the PUNR had tasked him with replacing me. I am convinced that competent and objective analyses can demonstrate that this action of dismissing me has no legal basis and that it is the result of the activity of some persons whose personal interests do not coincide with the general interests of having a modern and efficient telecommunications system."

Last night, Adrian Turicu was summoned to appear before the government to explain the decision to remove Chirica, which he made in a unilateral manner. It seems that the prime minister was not aware of this decision. Adrian Turicu was asked to reconsider his decision. In the meantime, the new director general of ROMTELECOM is Ioan Ovidiu Muntean.

Nastase Announces End of PDSR-PRM Cooperation

AU1910210095 Bucharest Radio Romania Network in Romanian 2000 GMT 19 Oct 95

[FBIS Translated Text] The Permanent Delegation of the PDSR [Social Democracy Party of Romania] Central Executive Bureau, which held a meeting today, voted, with one abstention, to break off political cooperation with the Greater Romania Party [PRM].

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According to statements made by the PDSR Executive President Adrian Nastase, this decision has been taken on the basis of a thorough analysis, which has revealed a difference between the two parties in approaching political issues. Similarly, Adrian Nastase said that the protocol that was signed by the PDSR and PRM stipulates that a responsible position must be adopted, which should serve the national interests and act against all racist, chauvinistic, anti-Semitic, extremist, and totalitarian phenomena, and that this has not been respected by the PRM.

At the same time, with this decision, the PDSR showed its support for President Iliescu, who will probably be the party's candidate for the next year's elections, our correspondent Florin Lepadatu informs us.

PRM: 'Road to Chaos' Opened

AU2010094495 Bucharest Radio Romania Network in Romanian 0500 GMT 20 Oct 95

[FBIS Translated Text] A communique of the Democratic Convention of Romania [CDR], which was released last night to AFP, welcomes the breach between the PDSR [Social Democracy Party of Romania] and PRM [Greater Romania Party], assessing it as positive. It notes, however, however, that one should not forget an alliance that has seriously harmed Romania's image abroad by allowing the access to power of political forces with an ideology that is condemned by civilized countries, AFP quotes CDR President Emil Constantinescu as saying. The CDR leader also states, quote, a simple break does not eliminate all the consequences of the alliance and does not absolve the PDSR of blame for the extremism showed by its former and current allies, end quote.

We also quote today's issue of CRONICA ROMANA, which published a statement by PRM leader Corneliu Vadim Tudor, who did not show surprise about what happened. He noted that the PDSR has assumed a serious responsibility, however, and has opened, quote, the road to chaos in Romania, end quote. Corneliu Vadim Tudor also says that no one can reproach him for the fact that he told the truth, namely, quote, that the country is ruled badly, that mafia-type structures have struck increasingly deep roots, and that President Ion Iliescu is deluding himself when he believes that he can solve the serious problems of the Romanian people exclusively by turning his face to foreign countries, end quote.

The PRM will pursue its justified program and will tell the truth bluntly, said its leader.

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Federal

'Intense' Army Activities in Sandzak, Montenegro

AU1910175595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 19 Oct 95

[FBIS Translated Text] Although the talks on solving the crisis on the territory of the former Yugoslavia are contributing to bringing peace and stability to this region, intense activities of the army of the self-styled Yugoslavia have been reported in Serbia and Montenegro, and particularly in the Sandzak region.

On 16 October, a convoy of 25 military vehicles with soldiers and weapons of the army of the self-styled Yugoslavia passed through Kutin toward Gornji Pester. According to the estimate of Bosniak eyewitnesses of this town, there were over 1,000 soldiers and officers in this convoy.

A day earlier, 12 military trucks had passed through the center of Kutin with a field kitchen, two water cisterns, and a field hospital. This is obviously a vanguard, which is supposed to set up conditions for a longer encampment of the army of the self-styled Yugoslavia on the Pester Height, reports the Information Center of the Muslim National Council of Sandzak.

Reasons for Army Maneuvers in Baranja Area Viewed

AU2010104295 Belgrade NASA BORBA in Serbo-Croatian 19 Oct 95 p 16

[Article by D.N.B.: "The Yugoslav Army in Baranja?"]

[FBIS Translated Text] Several Yugoslav Army [JA] infantry battalions, comprising mostly members of the special units reserve corps, recently crossed over into Baranja, unofficial, but reliable sources claim. Sources close to the JA, however, deny that a single JA member crossed the Federal Republic of Yugoslavia [FRY] border, but they concede that the current maneuvers of the Novi Sad Corps units, which include several units of the Air Force and the river Navy, are more than just ordinary maneuvers. The JA General Staff's Information Service has issued a statement which states that "particular attention has been devoted to assessing the ability of the various units and army branches to cooperate in real time and in a concrete geographic region, in accordance with the principles and possible variants of the units' engagement." Our sources, moreover, claim that there have been reports of intensified activity in the Vukovar region where fortifications are being erected; however, even more interesting is the information that units have also been fortifying on FRY territory, 30 kilometers from Ilok. At the same time, on the other side of the border, Croatia is bringing in more and more military forces to eastern Slavonia. Units are being hastily transferred from western Bosnia, and the latest information indicates that another three brigades and 30 tanks have arrived in the area. Prompted by this information, certain military sources claim that the JA is implementing a deterrent strategy, while on the other hand, it is suspected that this is just to reassure the inhabitants of the Srem-Baranja region.

'Stupidity' of Bosnian Serb Leaders Described

AU1810170595 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 18 Oct 95

[Commentary read by news reader]

[FBIS Translated Text] The assembly of the Serb Republic [Serb-held part of Bosnia-Herzegovina] ended its session two days ago. Unconvincing conclusions were endorsed, which did not offer answers to any of the many issues that the public in the Serb Republic, particularly the fighters, have been raising for a long time.

The state and political leadership of the Serb Republic once again skillfully maneuvered to safeguard their own hazy policies and positions and avoided addressing the basic priorities of the Serb people west of the Drina. What 49 percent of the former Bosnia-Herzegovina is it that one should fight for diplomatically in the first place, but also militarily? A circle of princes seem to want to keep the privilege of this knowledge to themselves. Illusions were again being sown. It was all reminiscent of August last year, when the leaders of the Serb Republic were thundering on about how Belgrade was full of traitors who were insisting on the acceptance of the Contact Group proposal as the basis for the 49:51 percent division. Now the same people are taking the 49 percent for granted, as if last year had not happened, as if over the last 14 months many people had not lost their lives, as if hundreds of thousands of unfortunate people had not had to leave their ancestral homes in the meantime. They are again, albeit more discreetly than last year, blaming Belgrade for all the stupidity in the leadership of the Serb people in the Serb Republic.

At the last assembly session, the Serb Republic's army was exclusively blamed for all the defeats. The proposal was made to dismiss four generals and one lieutenant colonel. All of them are close associates of General Ratko Mladic, so anyone even vaguely in the know can see that the target was the commander of the Serb Republic army himself. There are obviously people in the army to be blamed for the latest defeats, but a serious analysis of these events has not been carried out, since, had they done so, it would have become clear that the military leadership warned last spring about the dangers

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and proposed measures for a more effective defense. The state leadership ignored these warnings and rejected the proposed measures.

All of that seems to have been forgotten now or, to be more precise, they did not allow mention of these things. So a certain Miroslav Toholj, information minister in the Serb Republic, before the assembly session began, banned broadcasting by all local radio stations and ordered all transmitters to carry the programs of the state radio, which is under his absolute control. That order is still in place, so the public there has still not heard the demands of the independent deputies or the demands of those deputies of the ruling Serbian Democratic Party [SDS] who do not share the views of the state leadership.

During the session itself, the entire center of Banja Luka was swamped with snipers. All the taller buildings had police sniper nests, and no one could understand who this demonstration of force was aimed at. Almost all adult men are at the front anyway, and no one was clear as to who could be afraid of their children, wives, and mothers.

Because of this avoidance of answering the key questions related to the fate of the Serb Republic and because of the unprecedented demonstration of force against all those who dared ask questions, a patriotic front has been formed in Banja Luka, comprising all the political parties except for the ruling SDS. The joint open letter to Serb Republic president Radovan Karadzic was written by [words indistinct] of the Serb Republic, the Serbian Radical Party, the People's Radical Party-Nikola Pasic, the Association of Families of Fallen Fighters, the Association of Women, and many others. But there are no answers and that is the worrying part.

Serbia

Seselj Says Milosevic Carrying Out U.S. Orders

LD1910201395 Belgrade SRNA in Serbo-Croatian 1633 GMT 19 Oct 95

[FBIS Translated Text] Belgrade, 19 Oct (SRNA)—Chairman of the Serbian Radical Party [Srpska Radikalna Stranka—SRS] Vojislav Seselj said today that the authorities in Serbia are not giving up on their autocratic methods as they attempted to ban a scheduled rally of the radicals in Belgrade.

"The Liberal-Democratic Party of Russia [LDPR] and its leader Vladimir Zhirinovskiy is arriving in Belgrade, thus proving that the official authorities cannot ban an official rally," Seselj stressed at today's news conference.

Seselj accused Serbian President Slobodan Milosevic of "carrying out U.S. orders to betray Serbian national interests."

In this context, Seselj condemned the opening of Serbia's representative office in Sarajevo and the Muslim government's office in Belgrade, something the SRS resolutely opposes, he stressed.

"There will be no room in Belgrade for an office of the Izetbegovic government; if it takes place, its stay will be a short one", the SRS chairman cautioned.

Seselj noted, in conclusion, that the Serbian radicals had called on all political parties, intellectuals, and reporters to attend the rally and raise their voice against this policy pursued by the Belgrade authorities.

Welcomes Russia's Zhirinovskiy

LD2010132195 Belgrade SRNA in Serbo-Croatian 1237 GMT 20 Oct 95

[FBIS Translated Text] Belgrade, 20 Oct (SRNA)—Vladimir Zhirinovskiy, the leader of the Russian Liberal Democratic Party [LDPR], arrived in Belgrade this morning at the invitation of Vojislav Seselj, leader of the Serbian Radical Party [SRS].

Zhirinovskiy and a delegation from his party were welcomed at the airport by Seselj and the most senior leaders of the SRS.

Seselj and Zhirinovskiy were supposed to have spoken at a protest meeting in front of the Yugoslav Parliament at 1700 today, but the authorities banned the meeting "in order to prevent the disruption of public transport and a threat to the security of people and their property."

Instead of the protest meeting, the SRS leader has intimated that this afternoon he will be taking a walk with Zhirinovskiy along the main streets of Belgrade.

The Russian Liberal Democratic Party leader spoke at a protest meeting of Mirko Jovic's Serbian National Renewal Party on 9 May this year.

Draskovic Views Possible Alliance With Milosevic

AU2010111995 Sarajevo SLOBODNA BOSNA in Serbo-Croatian 6 Oct 95 pp 27-29

[Interview with Vuk Draskovic, leader of the Serbian Renewal Movement, by Asim Metiljevic; place and date not given: "Milosevic Did Not Fight for Greater Serbia"]

[FBIS Translated Text] Vuk Draskovic, a temperamental Herzegovinian, has been engaged in politics and literature for more than 30 years, with variable success. For just as long a period, politics has been dealing with

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Vuk as well. Once a rebellious member of the 1968 movement, he later offered his services for many years to the communist establishment, or, as he called the communists in his youth, "the red bourgeoisie." Nevertheless, despite indisputable ambition, the highest grade that Draskovic ever reached in the political hierarchy of the communist regime was his lengthy position as chief of the cabinet of the Yugoslav top trade union official, namely Mika Spiljak. Draskovic brought to literature several nationally inspired works (*The Knife, The Curse, The Judge, The Prayer*) that, on the other hand, drew more political than literary attention. With the democratization of overall political circumstances in former Yugoslavia, Draskovic again attracted public attention with zealous nationalistic performances and messages, adopting the image of a Christian Orthodox mystic. His statement about "a Turkish flag and a severed hand that flies it" comes from that period. For many years, Draskovic has been considered to be the most serious aspirant to the Serbian throne since he leads the largest opposition party in Serbia.

These days Draskovic has again drawn public attention, and not by opposition meetings such as the ones he earlier used to organize successfully against Milosevic, but because of the possibility of his forming a coalition with Milosevic! Not so long ago he, together with his best man Seselj, called Milosevic "the red bandit from Dedinje," yet power is sweet.... Draskovic's entire political career is full of such twists and turns. It is interesting to follow those turns: Once, in Draskovic's words, the western borders of Serbia were marked by Serbian holy places, mass graves and tombs, while today he is supporting Serbia that is great as much as it is democratic!

Apparently, Vuk [wolf] continues to change clothing, but his nature remains the same. Still, we have decided to publish an interview with him, if for no other reason than because he could soon become Milosevic's choice for the position of Serbian prime minister.

[Metiljevic] Mr. Draskovic, would you please give us a short view of the national platform of the Serbian Renewal Movement [SPO]? We are particularly interested in the attitude of your party toward the problem of Serbs outside Serbia proper, as well as your personal view of the future of Bosnia-Herzegovina.

[Draskovic] Our platform is the same as it was before this horrible and senseless war. In short, it reads: Serbia will be great as much as it is democratic, rich and happy and as much as it is acceptable for its citizens, neighbors, Europe, and the world. The national issue in the late 20th century is not about territory, but rather about civilization's achievements. Japan is great although its territory is reduced to four islands. Today, territories are conquered not by arms, but rather by products, standards of living, culture, or spirit. In every place, even in the middle of Moscow or Beijing, where coca-cola is consumed, or American music listened to, or U.S.-made goods bought, there is America.

The settlement of the Serbian national issue in Bosnia-Herzegovina and Croatia cannot be accomplished without the fulfillment of two key demands on which we insist. First, that all refugees and displaced persons, which includes Serbs, Muslims, and Croats, must be given guarantees from the great powers and the United Nations that they can go back to their homes freely and safely. Second, the great powers and the United Nations are obliged to guarantee those people full observation of their civil, religious, national, and other rights. As you see, I do not believe in guarantees given by local leaders or governments. They have to be forced to accept both of the aforementioned demands. When the refugees return home, when the reconstruction of what has been destroyed starts, and when passions and hatred calm down and people start feeling again the beauty of life and neighborliness, Bosnia-Herzegovina, I hope, will transform into the pre-war, multiethnic and multicultural "leopard's skin," and consequently also into a democratic federation of regions and cantons. That is the platform of the SPO as well.

[Metiljevic] This war, which was undoubtedly caused by aggressive Serbian policy, is most probably nearing its end. Would you please add up the final score? We know everybody has lost. Still, we are interested in your assessment of causes and consequences of the Balkan tragedy.

[Draskovic] You are simultaneously asking questions and giving "undoubted" answers. I suggest that, in the future, we should doubt everything. I am a Serb as well. My Serbian policy was not only undoubtedly nonaggressive, but it has been against the war and for its termination since the beginning and at every stage. By this, I am not pardoning those Serbian politicians who bear a huge responsibility for the war, for the disintegration of the state, and atrocities committed not only against others, but also against the Serbs. Nobody in the Serbian nationality condemns them more than I do. Thereby, I defend the Serbs from a group, that is, a minority of nationalist extremists and outlaws. They are not a mirror and measure of either our people, or culture, or religion. Yugoslavia was destroyed by senseless people on all sides. All of us have suffered, but mostly those who were most for Yugoslavia: the Serbs and the Muslims.

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[Metiljevic] Recently you have had contacts with Milosevic. In the public sphere, there is a conviction that it is precisely you who will be a key pillar of his authority. We would like to know whether you will accept such cooperation. What are your dilemmas with regard to your possible participation in the Serbian authorities?

[Draskovic] When Milosevic made a big turn and accepted the peace platform of the SPO [Serbian Renewal Movement], I did not want to change my convictions, and merely to oppose Milosevic I ask for subtenant's status in Pale. [sentence as published]

I have never been a key pillar of the Milosevic administration, and I never will be. If he accepts my program of Serbia's Europeanization, I shall lend him a hand and be a key pillar of the new path to new Serbia that I want, and for which I am struggling.

[Metiljevic] Your statement is interesting that Milosevic did not fight for greater Serbia, but rather for Yugoslavia. "It was a poor job he did, like a young man who was trying to keep a girl by slapping her in the face," you said. Do you really believe that ethnic cleansing, concentration camps, slaughter, and pulling down of mosques were aimed at preserving Yugoslavia? And what Yugoslavia?

[Draskovic] Do you believe that by slapping and beating any girl can be kept? Of course not. Still, many are trying that.

I do not think that Milosevic ordered ethnic cleansing, concentration camps, pulling down of mosques, and such things. He, of course, stood behind the former Yugoslav People's Army [JNA] at the time, convinced that it would crush the secession of Slovenia and in particular of Croatia, because Milosevic did not care much about Slovenia. In the beginning, he supported the principle of force in service of the preservation of the state, rather than of extermination or ethnic cleansing of non-Serbs or the non-Orthodox. Principles and details often do not go together. Milosevic has never been a Christian Orthodox zealot. By the way, he does not believe in God. He has never been a Serbian nationalist or chauvinist. His only nation and religion were Yugoslavia and communism. Even today, at very mention of Yugoslavia, one can see emotions on his face. He still does not believe that Yugoslavia does not exist any more. He behaves like a man whose leg has been cut off, but he still feels it.

[Metiljevic] You stated some very severe criticisms of the Pale regime. What was the essence of your criticisms?

[Draskovic] I was telling them that each grenade fired at Sarajevo was killing the historic being of the Serbian people. I was telling them that each devastated mosque was a blot on the Serbian conscience. I was telling them that in Bosnia there were no Turks, that in Bosnia nobody was a foreigner or aggressor, so why then liberate Foca, Trebinje, Zvornik, or Sarajevo from their own inhabitants?

Nobody in Bosnia needs to be a tutor or guardian to anybody. What Karadzic did not know yesterday, Franjo Tudjman does not know today. What right does he have to guarantee to Europe that Muslims will not be Muslims, that is, fundamentalists, as he put it? It is Tudjman's right to claim he is Iranian by origin, if he will, but he has no right to force other people to adopt caps or certificates of baptism [as published]. Over the destroyed Old Bridge in Mostar, one ought to keep silent at least, not wave hands triumphantly.

[Metiljevic] The behavior of the Serbian intelligentsia originally from Bosnia-Herzegovina during the aggression on Bosnia-Herzegovina was outrageous. Ekmecic, Kapor, Djogo, Nogo... were "spiritual members of Arkan's guard." Since you are originally from Bosnia-Herzegovina, we would like you to assess their behavior. We do understand commitment to Serbianhood, but we do not understand the hate toward non-Serbs.

[Draskovic] I do not understand it either. And I believe they do not understand it as well!

[Metiljevic] Would you please describe the political situation in Serbia?

[Draskovic] On one side, there are bad authorities, and on the other side, there is even worse, so-called patriotic opposition. Those are people who want to fight further against the entire world, no matter the price. In the middle is Europe, and in the middle is the SPO.

[Metiljevic] In the near future, Serbia will be forced to settle some internal interethnic issues. For instance, the problem of the Muslims in Sandzak, ethnic Hungarians in Vojvodina, or ethnic Albanians in Kosovo... How do you view the settlement of those issues in reality?

[Draskovic] I know how it should be, and I will struggle for that to be so. I want a Serbia that will be accepted wholeheartedly by each of its citizens as his fatherland, regardless of nationality or religion, because of the beauty and security of life in it.

The democratic aptitude of every majority, and particularly of a national majority, has always been measured by its attitude toward minorities. Respect every man, respect every language and culture, and watch your face! That is the SPO's Serbia.

[Metiljevic] You, Mr. Draskovic, used to belong to the nationalist bloc in Serbia as well. Looking back from

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the current perspective, how do you feel about your engagement at the time?

[Draskovic] What I am saying today I was saying five years ago as well. Perhaps, at moments, all too metaphorically, literary, and vociferously.

Now I am talking less vociferously, but more clearly. In that sense, I have changed. Even a stone changes. Only fools do not.

[Metiljevic] Finally, if the SPO had been in power last year, what would you have done first?

[Draskovic] If the SPO had been in power last year, the socialist and communist ideas, which are the main obstacle to our getting out of the most difficult crisis ever in our recent history, those ideas would have been part of the ugly past, rather than the cause of the ugly present.

We would have started with that, because, without a break-up with the ideological model that left us politically, economically, spiritually, and morally backward, and then dragged us into a senseless war to postpone its final death, Serbia has no chances of standing firmly on its own feet.

First and foremost, we would have accommodated all the laws to modern, democratic society, authentic market economy, achievements of industrialized capitalism, and standards of the modern world, and then, given such a basis, we would have taken concrete steps.

We would have made reforms, like those that Klaus has made in the Czech Republic. We would have implemented full privatization, including the so-called big systems. State ownership means either a party or thievery, and in the majority of cases, it is a combination of both. We would have given back the previously expropriated property to the people, again following the Czech model that has proven itself most successful, or justly indemnified it. We would have depoliticized the army and reduced the police to reasonable dimensions. We would have provided a full freedom of the media. At the very start, we would have been much more aggressive in our peace efforts, and we are sure that a peace would have been accomplished.

With an SPO government, Serbia would have been an equal member of the international community, and not an international outlaw as it is now.

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